

AMENDED BY-LAWS

OF

STONEBROOK FARM HOMEOWNERS ASSOCIATION, INC.

ARTICLE I

NAME AND LOCATION

The name of this Corporation shall be "Stonebrook Farm Homeowners Association, Inc." and shall be located in Greenville County, South Carolina.

ARTICLE II

CORPORATE PURPOSES

The purpose of said proposed Corporation is to conduct a homeowners association to serve the owners of lots in Stonebrook Farm to engage in any and all types of social and community activities, not for a profit, which shall promote the recreational, physical and environmental welfare of its members and to engage in such activities which shall raise the standards of community welfare through educational, recreational and beautification facilities, including, but not limited to, the ownership and operation of recreational and beautification facilities for its members and the administration and enforcement of any applicable Restrictive Covenants.

ARTICLE III

CORPORATE SEAL

This Corporation shall have a corporate seal, circular in design, with the following words inscribed thereon: "Stonebrook Farm Homeowners Association, Inc., South Carolina, 2000, Corporate Seal".

ARTICLE IV

NON-PROFIT STATUS

Notwithstanding the foregoing Corporate Purposes contained in Article II, this Corporation is organized as a non-profit, tax exempt organization pursuant to the provisions of the Internal Revenue Code of 1986, as amended, and including for such purposes, the making of distributions to organizations that qualify as Exempt Organizations under Section 501 of the Internal Revenue Code of 1986, as amended, or the corresponding provisions of any future United States Internal Revenue Law. No part of the net earnings of this Corporation shall inure to the benefit of, or be distributable to, its directors, trustees or officers or other private persons except that the Corporation shall be authorized and empowered to pay for reasonable services

Subdivision, now or hereafter, or for any complaint, annoyance or nuisance to any member of this Corporation arising out of Stonebrook Farm Subdivision for which a civil action may exist for abatement, damages or relief.

ARTICLE VIII

OFFICERS

Section 1. Names.

The officers of this Corporation shall be a President, Vice President, Secretary and Treasurer, each of whom shall be a Director of the Corporation.

Section 2. President.

The President shall be the chief executive officer of the Corporation, and, subject to control by the Board of Directors, shall with the Secretary execute all documents in the normal course of the business of the Corporation. The President shall preside at all meetings of the Board of Directors and members.

Section 3. Vice President.

The Vice President, in the absence of the President, shall perform the duties of the President.

Section 4. Secretary

The Secretary/ shall keep the minutes of meetings of the Board of Directors and the members shall be custodian of records of the Corporation. The Secretary, together with the President, shall execute all documents in the normal course of the business of the Corporation.

Section 4.1 Treasurer.

The Treasurer shall have custody of all funds and properties of the Corporation and shall keep regular books of account in accordance with accepted accounting practices. The Treasurer shall collect and disburse the funds of the Corporation in such manner as shall from time to time be authorized by the Board of Directors.

Section 5. Election of Officers.

At each successive annual meeting of Homeowners, the Directors shall be elected as indicated herein. The Board of Directors shall then hold an organization meeting within thirty days to elect the slate of officers for the year.

Section 6. Delegation of Duties.

The Board of Directors may delegate to any officer of this Corporation any of the duties hereinabove designated to be performed by any officer, either temporarily or permanently, as long as such powers and authorities shall not be inconsistent with these By-Laws.

ARTICLE IX

MEMBERS

Section 1. Members - Qualification.

Every record owner of a fee simple or leasehold interest in any lot in Stonebrook Farm Subdivision shall be a member of the Stonebrook Farm Homeowners Association, Inc. Any person or entity who holds such an interest merely as security for the performance of an obligation shall not be a member. Membership shall be appurtenant to and may not be separated from the ownership of any lot the subject of the Restrictive Covenants applicable to Stonebrook Farm Subdivision.

Section 2. Number of Votes.

At all meetings of the members, each member shall be entitled to one (1) vote; provided, however, that where several members own a lot or lots as tenants in common, then the combined membership of such lots shall be entitled to only one (1) vote, it being the intention hereof that each residence owning an aggregate grouping of lots shall have only one (1) vote at all meetings of the membership. "Lots" as used in these By-Laws shall refer to a residence or combined number of lots owned by one (1) owner or owners. In the event of a vacant lot or lots on which no residence has been constructed, then each of such lots shall be entitled to one (1) vote as though a residence had been constructed thereon.

Section 3. Appeal.

Any member aggrieved by any enforcement of any rule or regulation of the Board of Directors may appeal to the membership at a special meeting called for such purpose for reversal of the action of the Board of Directors.

Section 4. Annual Meeting.

An annual meeting of the members shall be held on a date specified by vote of the Board of Directors of each year at such time and place as shall be specified in the notice of the meeting. Special meetings of the members may be called on notice given by the President, any two (2) Directors, or ten (10%) percent of the members.

Section 5. Quorum.

Twenty-five (25%) percent of the members of this Corporation at any annual or special meeting of the membership shall constitute a quorum for the transaction of any business which may come before the membership. A majority of the above defined quorum present at any such meeting may decide any matter which may come before the membership. Personal attendance at a meeting of the members shall be deemed a waiver of written notice hereinabove required.

Section 6. Removal of Directors.

Any or all directors and officers from time to time serving the Corporation may be removed by the members of the Corporation by a majority vote of such members at a meeting called for such purpose after thirty (30) days' written notice.

Section 7. Compensation of Officers and Directors.

No officer or director shall receive compensation for his services to this Corporation. However, any director or officer may be reimbursed for his actual expenses incurred in the performance of his duties pursuant to resolution and action by the Board of Directors.

ARTICLE X

TRANSFER OF MEMBERSHIP

Section 1. Direct Sales to Home Purchasers.

Any member selling his lot shall be entitled to sell his membership to the purchaser of his lot, subject to payment of all dues then due by such member.

Section 2. Dues and Assessments.

Dues and assessments to support the operation and maintenance of any facilities of the Corporation and its programs shall be in an amount recommended by the Board of Directors at each annual meeting of the members and approved by the members. Nonpayment of dues shall bar a member from the exercise of the privileges of membership of a member.

Section 3. Nonpayment of Assessments.

No membership shall be transferred or approved by this Corporation unless the transferring member shall then be current with all dues assessed by the Board of Directors, and the purchaser of any lot for which past due dues exist shall not be recognized as a member of this Corporation until such charges have been paid in full.

Section 4. Delinquent Dues.

The Board of Directors shall have the power to revoke the membership of any member who shall be delinquent in payment of his dues in the amount authorized to be collected by the Board of Directors. The Board of Directors shall be authorized to grant such grace periods for the payment of dues for membership as the Board of Directors deems advisable in accordance with policies uniformly applied.

ARTICLE XI

SUSPENSION OF MEMBERSHIP

The Board of Directors may suspend or revoke the membership rights of any member upon finding that any member has violated these By-Laws or rules and regulations of the Corporation. Any member against whom such action is taken under this Article shall be given at least five (5) days' advance notice of the proposed action and shall be provided an opportunity to be heard at a meeting of the Board of Directors. Any member whose privileges have been revoked by the Board may file a written petition for a meeting of the membership for the purposes of reviewing the action of the Board of Directors.

ARTICLE XII

MISCELLANEOUS

Section 1. Amendments.

These By-Laws may be amended by a majority of the members at a meeting called for said purposes at least thirty (30) days in advance thereof. In the event that a majority of the members fail to attend such a meeting for such purposes, then another meeting shall be called thirty (30) days thereafter and a three-fourths (3/4) vote in favor of an amendment to these By-Laws by those members who do attend such meeting thirty (30) days thereafter shall be effective for the enactment of such amendment.

Section 2. Bank Accounts.

All funds of the Corporation shall be deposited in such banks as the Board of Directors may select and designate by resolution as the official depository of the Corporation.

Section 3. Fiscal Year.

The fiscal year of the Corporation shall commence on the first day of January and end on the last day of December of each calendar year.

Section 4. Notices.

Any notice of any meeting required to be given to any Director or member may be waived in writing by the signature of the party to receive such notice, either before or after the meeting, which waiver need not specify the business transacted at the meeting or the purpose thereof.

Section 5. Informal Action by Members or Directors.

Any action required by law to be taken at a meeting of members or directors, or any action which may be taken at a meeting of the members or directors, may be taken without a meeting if a consent in writing setting forth the action taken is signed by the members or directors entitled to vote with respect to the subject matter thereof.

Section 6. Proxies.

At any meeting of the members, a member entitled to vote may vote by a lawfully executed proxy, executed in writing by the member or his duly authorized attorney-in-fact.

Section 7. Voting by Mail.

Where directors are to be elected by members, such election may be conducted by mail in such manner as the Board of Directors shall determine.

Section 8. Nominating Committee.

The Board of Directors, prior to any annual meeting of the members at which new officers and directors are to be elected, may name a Nominating Committee for the purposes of making nominations to the members at such annual meeting. Nothing contained herein shall

prevent any nomination from being made from the floor at any such meeting.

ARTICLE XIII

RESTRICTIVE COVENANTS

Any Restrictive Covenants which are now or in the future applicable to all or a majority of all lots in Stonebrook Farm Subdivision, Greenville, South Carolina, shall be and are hereby included as a part and parcel of these By-Laws. Any provision or condition contained in such Restrictive Covenants which contradict the terms and conditions of these By-Laws shall prevail.

ARTICLE XIV

INDEMNIFICATIONS AS TO OFFICERS AND DIRECTORS

The Corporation shall indemnify any officer and director or former officer and director of this Corporation against expenses actually and necessarily incurred by him in connection with the defense of any action, suit or proceedings in which he is made a party by reason of being or having been such an officer or director, except in relation to matters as to which he shall be adjudged in such action, suit or proceeding to be liable for gross misconduct in the performance of duty.

ARTICLE XV

ASSESSMENTS

Section 1. Obligations.

As is more fully provided in the Restrictive Covenants, each member is legally obligated to pay to the Corporation annual assessments for each lot the subject of such 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. The initial assessments of this Corporation shall be in the sum of FOURTEEN HUNDRED AND TWENTY (YR 2006) (\$1,420⁰⁰) Dollars per annum, but such amount is subject to increase or reduction by the Board of Directors and the members as hereinabove provided.

Section 2. Duty to Determine Amount.

It shall be the duty of the Board of Directors from time to time elected to arrive at the amount of the assessment pursuant to the Restrictive Covenants hereinabove provided and to make recommendations to the annual meeting of the members as to such amount or amounts.

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STATE OF SOUTH CAROLINA)
COUNTY OF GREENVILLE)

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JUDY G. HIX
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DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS
APPLICABLE TO
STONEBROOK FARM

THIS DECLARATION made on the date hereinafter set forth by James D. Seward Builder/Designer, Inc., a South Carolina corporation, hereinafter referred to as "Declarant."

W I T N E S S E T H :

WHEREAS, Declarant is the owner of all of certain real property in the County of Greenville, State of South Carolina, which is more particularly described in Exhibit A attached hereto and incorporated herein by reference; and

WHEREAS, Declarant is developing the above-described property for single-family residential use as StoneBrook Farm (hereinafter "SBF"), and in connection therewith Declarant wishes to ensure the proper use, development and improvement of such property so as to protect the owners and occupants of lots therein by restricting the use of all lots for purposes consistent with the overall development of SBF in an attractive and desirable manner and by

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encouraging the erection of attractive, harmonious and appropriately located permanent improvements.

WHEREAS, the subdivision has been completed to the extent that a plat thereof has been prepared and Declarant intends to convey lots in the subdivision subject to a uniform system of covenants, restrictions, uses and charges as hereinafter set forth;

NOW, THEREFORE, Declarant hereby declares that all of the property described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with the real property and be binding on all parties having any right, title or interest in the described property or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I.

DEFINITIONS

SECTION 1. "Association" shall mean and refer to the StoneBrook Farm Homeowners Association, Inc. (hereinafter referred to as "SBFHA") its successors and assigns. The Association shall be a not-for-profit corporation formed under the laws of the State of South Carolina by or at the direction of Declarant and having such by-laws as determined by Declarant as may be appropriate to carry out the purposes of the Association consistent with the requirements of this Declaration. Until such time as the

Association is formed, the Declarant shall carry out the functions of the Association as set forth in this Declaration.

SECTION 2. "Owner" shall mean and refer to the record Owner, whether one or more persons or entities, of a fee simple title to any Lot, or any portion thereof, which is a part of the property, but excluding those having such interest merely as security for the performance of an obligation.

SECTION 3. "Occupant" shall mean any person or entity who occupies, or who has the right to occupy, all or a part of any lot which is a part of the property, whether such occupancy or right of occupancy is based on ownership, lease, license or easement.

SECTION 4. "Improvement" shall mean any structure or construction of any kind that alters the physical appearance of a lot, including but not limited to, buildings, outbuildings, roads and driveways (no public access), parking area, fences, screening walls, retaining walls, loading area, signs, utilities, lawns, landscaping and walkways located on lots, together with any construction work or treatment done or applied to a lot in connection therewith.

SECTION 5. "Building" shall mean and include, but shall not be limited to, both the main portion of a structure built for permanent use and all projections or extensions thereof, including, but not limited to, garages, outside platforms, canopies, porches and outbuildings.

SECTION 6. "Property" shall mean and refer to that certain real property described in Exhibit A.

SECTION 7. "Common Area" shall mean all real property located within the property owned or maintained or to be maintained by the Association, and specifically designated by Declarant as "Common Area," including, but not limited to, areas shown on any recorded plat of the property as "Common Area" or as beautification easements, together with such facilities and improvements as may be constructed thereon, for the common use and enjoyment of the members of the Association. The initial portions of the Common Area to be owned by the Association may be conveyed to the Association by Declarant at such time as it shall be determined by the Declarant, in the exercise of it's sole discretion, that the Association is able to maintain them. The Common Area also shall be deemed to include such additional property as Declarant may from time to time designate by filing a Declaration to such effect in the public records of Greenville County, South Carolina, and, if appropriate by conveying the same to the Association. Further, the Common Area shall include other real or personal property acquired by the Association in accordance with it's by-laws if the same is designated as a part of the Common Area. Common Area may include any real property, with facilities and improvements constructed thereon, which is located

within SBF development and which benefits the property as defined in Exhibit A.

SECTION 8. "Member" shall refer to every person or entity who holds membership with voting rights in the Association.

SECTION 9. "Declarant" shall mean and refer to James D. Seward Builder/Designer, Inc., its successors and assigns.

SECTION 10. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision plat or development plan of the Property.

SECTION 11. "By-laws shall mean the by-laws of the Association as they now or may hereafter exist.

ARTICLE II.

PROPERTY RIGHTS

SECTION 1. OWNER'S EASEMENTS OF ENJOYMENT. Every Owner shall have a right and easement of enjoyment in and to those portions of the common easements owned by the Association which shall be appurtenant to and shall pass with the title to every lot, whether or not referred to in any deed conveying title to any lot, subject to the following provisions:

(a) The right of the Association to suspend the voting rights of an owner or occupant for any period during which any assessment against his lot remains unpaid.

(b) The right of the Association to grant right of ways and easements across or beneath all or any part of the common area to any public agency, authority, or utility.

(c) The right of the Association, in accordance with it's Articles and by-laws, to borrow money for the purpose of improving the common area and to mortgage, pledge or otherwise hypothecate any or all of it's real or personal property as security for any such money borrowed.

SECTION 2. LEASES OF LOTS. Any permitted lease agreement between an owner and a lessee for the lease of such owner's lot shall provide that the terms of the lease shall be subject in all respects to the provisions of this Declaration of Covenants, Conditions and Restrictions, the Articles of Incorporation and by-laws of the Association and that any failure by the lessee to comply with the terms of such document shall be a default under the terms of the lease. All leases of lots shall be in writing for a term of not less than six (6) months, and shall not provide for the lease of less than the entire lot and all improvements located thereon.

SECTION 3. DELEGATION OF USE. Any owner may delegate, in accordance with the applicable by-laws of the Association, his rights of enjoyment of the Common Area and facilities to the members of his family, guests, tenants, or contract purchasers,

provided that every such delegee shall reside upon the property or be accompanied by the owner.

ARTICLE III.

MEMBERSHIP AND VOTING RIGHTS

SECTION 1. Every owner of a lot which is subject to a lien for assessments shall be a member of the Association. An owner may assign in writing his membership and voting rights to an occupant upon such terms as the Association may prescribe. Otherwise, membership and voting rights shall be appurtenant to, and may not be separated from, ownership of any lot which is subject to assessment; provided, however that no such assignment shall affect the obligation of the owner to pay the assessment described in ARTICLE IV hereof.

Each owner of a lot shall be entitled to voting rights consisting of one vote for each lot, except as set forth below. When more than one person holds an interest in any lot, all such persons shall be members. The vote or votes for such lot shall be exercised as they may among themselves determine, but, in no event, shall multiple owners of a lot be entitled to cast more than one vote for that lot.

ARTICLE IV

COVENANT FOR MAINTENANCE AND ASSESSMENTS

SECTION 1. PURPOSE OF ASSESSMENTS

(a) All monies collected by the Association shall be treated as the separate property of the Association, and such monies may be applied by the Association to the payment of any expenses of operating and managing the property, or to the proper undertaking of all acts and duties imposed upon it by virtue of this Declaration, the Articles of Incorporation and the by-laws of the Association. As monies for any assessment are paid into the Association by any lot owner, the same may be commingled with monies paid to the Association by the other lot owners. Although all funds and common surplus, including other assets of the Association, and any increments thereto or profits derived therefrom shall be held for the benefit of the members of the Association, no member shall have the right to assign, hypothecate, pledge, or in any manner transfer his membership interest therein, except as an appurtenance to his lot. When a lot owner shall cease to be a member of the Association by reason of his divestment of ownership of his lot, by whatever means, the Association shall not be required to account to such owner for any share of the fund or assets of the Association which may have been paid to the Association by such owner, as all monies which any owner has paid to the Association shall be and constitute an asset of the Association which may be used in the operation and management of the property.

(b) In addition to the annual assessments authorized above, the Association may levy, at any time during any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the costs of construction, reconstruction, unexpected repair or replacement of a described capital improvement upon the Common Area, including the necessary fixtures and personal property related thereto, except as required by Declarant under Section 1, ARTICLE VII of these covenants, provided that any such assessment shall have the assent of three-fourths (3/4) of the votes cast by the members who are voting in person or by proxy at a meeting duly called for this purpose.

SECTION 2. EFFECT OF NON-PAYMENT OF ASSESSMENTS: REMEDIES OF THE ASSOCIATION. Any annual or special assessment not paid within thirty (30) days after the due date shall bear interest from the due date at an annual rate of two percent (2%) above the prime interest rate established by major banks operating in Greenville County, South Carolina. The Association may bring an action at law against the owner personally obligated to pay the same or foreclose the lien created herein against the property in the same manner as prescribed by the laws of the state of South Carolina for the foreclosures of mortgages, and interest, cost's, and reasonable attorney's fees for representation of the Association in such action or foreclosure shall be added to the amount of such assessment. No owner may waive or otherwise escape liability for

the assessment provided for herein by abandonment of the lot nor shall damage to or destruction of any improvements on any lots by fire or other casualty result in any abatement or diminution of the assessments provided for herein.

SECTION 3. SUBORDINATION OF THE LIEN TO MORTGAGES. The liens provided for herein on any lot shall be subordinate to the lien of any first mortgage or deed of trust on such lot. Sale or transfer of any lot shall not affect the assessment lien or liens provided for in the preceding action.

SECTION 4. NOTICE AND QUORUM FOR ANY ACTION AUTHORIZED UNDER SECTION 1 and 2. Written notice of any meeting called for the purpose of taking any action authorized under this article shall be sent to all members not less than seven (7) days nor more than thirty (30) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast fifty percent (50%) of the votes of the membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than thirty (30) days following the preceding meeting.

ARTICLE V

ARCHITECTURAL CONTROL

SECTION 1. ARCHITECTURAL COMMITTEE.

(a) The Architectural Committee shall consist of a registered architect, a registered landscape architect, the Declarant, and one other at the Declarant's discretion, until the sale of all lots and approval of the architectural plans on all homes, for the express purpose of insuring compliance with the provisions of this Article. In the event any member of the Committee should, in Declarant's opinion, for any reason cease to be able to perform his duties properly, a replacement shall be selected by Declarant.

(b) The Architectural Committee shall further have the right to refuse to approve any plans or specifications for buildings or improvements, plot plans or landscape or recreational plans, taking into consideration such factors as it may deem appropriate, including but not limited to the suitability of the proposed building or other improvements, the materials of which it is to be built, whether or not it is in harmony with its surroundings, and what effect it will have on the outlook from adjacent or neighboring property.

(c) The Architectural Committee is authorized by a unanimous vote of all its members to approve or ratify in the construction or alteration of any building or improvement minor violations of any provisions of these restrictions relating to set back, location, size of improvements or similar matters if in the opinion

of all of the Committee such shall be necessary to prevent undue hardship and to waive or vary the provisions of the Article or other provisions of this Declaration relating to the use of the property.

SECTION 5. DESIGN APPROVAL PROCESS.

(a) Application for approval as required herein shall be made to the committee at the principal office of James D. Seward Builder/Designer, Inc., #3 Sunbelt Business Park, Greer, South Carolina 29650, or such other address as Declarant or the Committee may hereafter designate, and at the time such application is made, the building plans, specifications, plot plans and landscape or recreational plans, together with a One Hundred and no/100 (\$100.00) Dollar non-refundable fee, and a One Thousand and no/100 (\$1,000.00) refundable fee shall be submitted with all plans in duplicate and shall have been prepared in a one-eighth (1/8) scale or larger and shall contain at a minimum:

- 1.) Building plans to include all floor plans and elevations, and
- 2.) roofing material, color, and pitch (which shall be at least 9/12), and
- 3.) estimated completion dates of all construction and improvements.
- 4.) Front yard landscape plans to consist of two (2) caliper trees or larger (if natural trees are saved then tree

requirement is waived and rest to be used in smaller plants), twelve (12) or more foundation plants seven (7) gallon size or larger or balled and burlapped twenty four (24) or more three (3) gallon size or larger; all beds to be mulched with pine straw or hardwood only. All front and side lawns to be sodded and irrigated.

5.) In lots 1-15 bermuda grass is required.

One complete set of documents shall be retained by the Committee, and the second complete set shall be returned to the applicant with the Committee's approval or disapproval clearly noted thereon.

6.) Square footage requirements are as follows:

- (a) lots 1-15:
 - one story = 2,200 sq. feet
 - two story = 2,500 sq. feet
- (b) lots 16-25
 - one story = 2,800 sq. feet
 - two story = 3,200 sq. feet
- (c) lots 26-64
 - one story = 3,200 sq. feet
 - two story = 3,500 sq. feet

(b) Upon the approval by the Committee of any proposed construction or alteration, the Committee shall issue to the applicant a written permit. No construction or alteration shall be carried on until and unless such permit is obtained. If no response has been given in thirty (30) days after submission then application will be approved.

(c) Each lot owner and his contractor, subcontractor, and other agents shall take full responsibility for controlling surface water run off and sediment which may adversely affect any other property. Plans to control said run off and sediment must be submitted to the Architectural Committee along with other required plans. Notwithstanding any plans as may be submitted, the Architectural Committee may make additional reasonable requirements of lot owners to prevent or control excess run off or sediment during construction or thereafter. However, responsibility for the surface water run off will be that of the lot owner and not that of the Architectural Committee.

(d) When eighty percent (80%) of the numbered lots have been sold by Declarant, Declarant may, at it's option, turn over the functions of the Architectural Committee to the Association. The Association shall thereafter appoint the Architectural Committee, and at all times at least one member of the Committee thus appointed shall be a licensed architect.

ARTICLE VI

USE AND IMPROVEMENTS RESTRICTIONS

SECTION 2. USE OF PROPERTY. Each lot and the residence and improvements thereon and the Common Area and facilities shall be for the following uses and subject to the following restrictions and in addition to those set forth in the by-laws:

(a) Nothing shall be kept and no activity shall be carried on in any building or residence and facilities which will increase the rate of insurance, applicable to residential use, for the property or the contents thereof. No owner shall do or keep anything, nor cause or allow anything to be done or kept, in his residence or facilities which will result in the cancellations of insurance on any portion of the property, or the contents thereof, or which will be in violation of any law, ordinance or regulation. No waste shall be committed on any portion of the Common Area and facilities.

(b) No immoral, improper, offensive or unlawful use shall be made of the property, or any part thereof, and all valid laws, ordinances, and regulations of all governmental agencies having jurisdiction thereof shall be observed. All laws, orders, rules, regulations, or requirements of any governmental agency having jurisdiction thereof, relating to any portion of the property, shall be complied with, by and at the sole expense of the owner or the Association, whichever shall have the obligation to maintain or repair such portion of the property.

(c) Nothing shall be done in or to any residence or in, to or upon any of the Common Area and the facilities which will impair the structural integrity of any building, residence, or portion of the Common Area and facilities or which would impair or alter the

exterior of any building or portion thereof, except in the manner provided in this Declaration.

(d) Any camper, boat or trailer or any vehicle or item not in daily use placed upon any lot by the owner must be stored at all times behind the closed doors of the garage for such owner's residence. No such items shall be placed elsewhere on any lot on which there shall not be a garage except for brief periods reasonably necessary to load or unload them, and no repairs to such items shall be conducted upon any lot except in the garage.

(e) No trailer, basement, tent, shack, garage, barn, or other outbuildings erected upon any lot shall at any time be used as a residence, either temporarily or permanently. No structure of a temporary nature shall be used as a residence.

(f) Any and every container used to store garbage, refuse and debris, until collected by public or private waste disposal service, shall be stored on each lot so that it shall be out of sight from all streets.

(g) All exterior components of heating and air conditioning systems shall be screened by masonry or wooden walls or fences.

(h) The total area of all driveways shall be paved or finished by plant mix concrete, asphalt, or such other materials as may be approved in writing by the Architectural Committee.

(i) Nothing herein contained shall be construed to prevent James Seward Builders/Designers, Inc. from maintaining temporary

sales offices and storage on any lot while the subdivision is in the process of being developed and while houses are under construction within the development.

(j) No window air conditioning units shall be installed in any building.

(k) No wall, fence, or hedge shall be erected closer to the front street line of any numbered lot than the rear wall of any structure unless written permission to do otherwise shall have been obtained by the Architectural Committee. No fence shall be constructed of chain link wire or similar metal on any lot in the subdivision.

(l) Fencing materials are to be limited to brick, stone, stucco on masonry, and wood, and all other materials must be approved by the Architectural Committee. All fence designs, locations, and finish color to be approved by the Architectural Committee pursuant to the guidelines set forth in Article V.

(m) No animals may be kept, maintained or quartered on any lot or any portion of the property except that cats, dogs, rabbits, hamster or caged birds may be kept in reasonable numbers as pets for the pleasure of the occupants. The Architectural Committee is authorized (but not required) to issue reasonable rules for the protection of all owners relating to the number of pets which may be kept on any numbered lot. All pets shall be kept in fenced areas or on leashes and each owner shall be responsible for the

prompt disposal of all excrement or debris of any kind resulting from any pets owned or maintained by such owner on his property. Loud and unruly animals must be controlled by owners to prevent disturbing other property owners pursuant to the ordinances set forth by Greenville County.

(n) Provisions must be made by the property owners for off street parking of their own cars and those belonging to guests, invitees, and employees, as the parking of cars on such street rights-of-way for long periods of time during the day or night will not be permitted.

(o) No motorcycles, motorbikes, minibikes, go-carts, or other similar vehicles shall be operated on any lot or on any Common Area.

(p) No fireworks of any kind shall be stored or used on any lot or in the Common Area or on any portion of the property or any public or private road or street in the subdivision.

(q) Each lot upon which a residence has been constructed shall have a mailbox of a type and size specified by Declarant or the Architectural Committee. Such mailbox shall be properly maintained at all times by the owner and shall not be altered or replaced except by a new mailbox identical to the one originally installed.

(r) No satellite dishes (18" DSS are allowed) or outside antennae of any kind shall be allowed on any lot except with the approval of the Architectural Committee.

(s) No tree having a trunk diameter of twelve inches or more shall be removed or relocated on any lot without prior written approval of the Architectural Committee.

(t) No tennis courts shall be constructed on any lot subject to this Declaration unless the Architectural Committee, in its sole discretion, shall have granted permission for their construction following a detailed review of all plans for location, construction, lighting and landscaping. In no event, however, shall any tennis courts be constructed on any lot which are not located at least twenty-five (25) feet from any property line.

(u) No motorized boats or other motorized watercraft of any kind shall be used on any lakes or ponds in the Common Area, and no boat or other watercraft shall be docked or stored on any lake or pond or in the surrounding Common Area when not in use.

(v) All property subject to this Declaration is hereby declared to be and designated as a bird sanctuary.

(w) Each purchaser of a lot(s) in SBF agrees to commence construction of improvements on said lot(s) within twenty-four (24) months from the date of purchase, unless otherwise agreed by Declarant at closing. In the event construction is not commenced as required herein, purchaser gives to Declarant the option to

repurchase the lot for the price paid for the lot by purchaser. This option must be exercised by Declarant by paying to purchaser, in cash, the amount due within thirty (30) days from the expiration of the two (2) year period.

SECTION 3. QUIET ENJOYMENT. No obnoxious or offensive activity, including activity which creates loud or offensive noises, shall be carried on upon the property, nor shall anything be done which may be or may become a nuisance or annoyance to residents within the property.

SECTION 4. SETBACKS, LOCATION AND SIZE OF IMPROVEMENTS AND LOTS.

(a) No building shall be erected on any lot nearer to the front lot line than the building setback line as shown on the recorded plat. No residence shall be nearer to any side lot line than a distance equal to ten percent (10%) of the width of the lot measured at the front wall of the structure.

(b) In calculating the minimum floor space, only the heated area of the permitted dwelling shall be included. Any area comprising porches, garages, breezeways, unfinished attics, and unfinished basements shall be excluded. The Architectural Committee may, within its sole discretion, give credit for one-half (1/2) of the total space in an enclosed garage, storage room, and porches under roof.

(c) No garage or other outbuilding more than two stories in height shall be erected upon any numbered lot. The entrance to all garages shall face the rear or the side of the lot.

(d) No above ground swimming pools may be constructed on any lot.

(e) On any lot abutting any lake, no permitted dwelling, fence, or any other structure shall be placed closer than fifty (50) feet to such lake's shoreline.

ARTICLE VII

RECREATIONAL FACILITIES, COMMON GROUNDS AND

MAINTENANCE CHARGES

SECTION 1. POOL, CLUBHOUSE AND TENNIS COURTS. Declarant will build at it's expense a junior-olympic sized swimming pool, clubhouse, two lighted tennis courts and off-street parking, for the use and enjoyment of all residents of StoneBrook Farm and said facilities will be deeded to it's Homeowner's Association, for the purpose of owning and operating said facilities and maintaining all Common Areas.

SECTION 2. HOMEOWNER'S ASSOCIATION. At such time as it shall be deemed appropriate by Declarant, a not-for-profit corporation shall be formed by Declarant, pursuant to the laws of the State of South Carolina, to be named "StoneBrook Farm Homeowner's Association, Inc." This entity (SBFHA) shall be the vehicle through which all appropriate matters referred to in these

restrictions shall be transacted. SBFHA shall adopt provisions relating to the manner in which business shall be transacted in the form of "By-Laws."

SECTION 3. VOTING RIGHTS AND NON-PAYMENT OF ASSESSMENTS.

(a) Declarant will complete these facilities no later than June 1, 1998 and operate them for the purpose of the residents until January 1, 2001 or the date the last lot in the subdivision is sold, whichever shall last occur, at which time these facilities and other common areas will be deeded to SBFHA. The owner of every lot located in said subdivision shall be a member of said corporation. Declarant shall be entitled to one (1) vote for each lot it owns in the subdivision and all other owners shall be entitled to one (1) vote for each lot owned, regardless of the number of lots used to create one residence. When title to a lot is vested in two or more persons jointly, the vote shall be exercised as they among themselves determine, but in such case no more than one (1) vote shall be cast per lot not owned by Declarant. Membership shall be appurtenant to and may not be separated from ownership of the property which is subject to assessment.

(b) SBFHA will have the right to suspend voting rights and rights to use the recreational facilities for any period during which any assessment, either annual or special, against his

property remains unpaid for a period not to exceed sixty (60) days or for any infraction of it's published rules and regulations. In the event of non-payment of any assessment as set forth herein, SBFHA may bring an action at law against the owner(s) personally obligated to pay same or foreclose a lien against property in the same manner that a real estate mortgage is foreclosed and interests, costs, and attorney's fees shall be added to the amount of such assessment. The lien of SBFHA against the property must be established by, and shall be effective from the time of filing a Lis Pendens in the office of the Clerk of Court of Greenville County. Failure of SBFHA, or any owner, to enforce any covenant or lien herein contained shall in no event be deemed a waiver of it's right to do so.

SECTION 4. ASSESSMENTS.

(a) An annual assessment consistent with the by-laws of SBFHA shall be levied by SBFHA against each lot in the subdivision for maintenance and operation of various amenities, including, but not limited to , landscaping, swimming pool, clubhouse, tennis courts, street lights, street signs, entrances, private roads, all utility bills associated with the aforementioned, insurance (both structural and liability) and various miscellaneous expenses. Said assessment shall be between Seven Hundred and Fifty (\$750.00) Dollars and One Thousand (\$1,000.00) Dollars beginning on July 1, 1997, which amount is subject to change pursuant to the provisions

of the by-laws of SBFHA, and said assessment shall be due and payable to SBFHA on the 1st of May of each year to cover the fiscal year beginning on July 1st and ending on June 30th, of each year. Any assessment not paid within thirty (30) days after the due date thereof shall bear interest from the due date at the legal rate of interest. The acceptance of a deed by grantee shall be construed to be a covenant by the grantee(s) to pay said assessment, which shall run with the land and be binding upon said grantee, his successors, heirs, and assigns. No person shall waive or otherwise escape liability hereunder by the non-use of the facilities of SBFHA or abandonment of the property.

(b) The annual assessment to be levied by SBFHA shall not apply to any lot or permitted dwelling so long as either is wholly or partially owned by any entity in which James D. Seward Builders/Developers, Inc. has at least a twenty-five percent (25%) interest. When an owner acquires title to a lot from Declarant, such owner shall pay a proportional share of the assessment in effect for that year, which partial assessment shall be due at closing.

(c) Until such time as Declarant forms SBFHA, Declarant is empowered to perform the functions that will be performed by SBFHA and for this purpose may make such rules and regulations as it deems desirable to carry out said purposes. During the interim period, Declarant shall have the power to collect the annual

assessment imposed pursuant to ARTICLE VII herein for the purposes therein provided.

ARTICLE VIII

EASEMENTS

SECTION 1. WALKS, DRIVES, PARKING AREAS AND UTILITIES. All common areas shall be subject to a perpetual non-exclusive easement or easements in favor of all owners of lots for their use and the use of their immediate families, guests, invites, tenants, or lessees for all proper and normal purposes and for ingress and egress and regress to and from such easements for driveways, walkways, parking areas, water lines, sanitary sewers, storm drainage facilities, gas lines, telephone and electric power lines, television cable or antenna lines, and other public utilities as shall be established either prior to or subsequent to subjecting this property to this Declaration by the Declarant or it's predecessors in title and for use of the owners, their families, guests, and tenants. The Declarant hereby expressly reserves the right to grant and/or create any such easement subsequent to the date hereof in the event the necessity of such shall subsequently become apparent due to the development of the property. The Association shall have the power and authority to grant and to establish in, over, upon, and across the Common Area conveyed to it such further easements as are requisite for the convenient use and enjoyment of the property. Further, Declarant

and the Association shall have the right at any time to enter upon any landscape, utility, or other easement shown on any recorded subdivision plat of the property and/or established pursuant to cross such other portions of the property as may be reasonably necessary to carry out such maintenance.

SECTION 2. LAKE EASEMENTS AND RESTRICTIONS OF USE. The Declarant hereby reserves a "Recreation and Use Easement" over the impoundment area shown on the plat referred to in Exhibit A as the "Lake" for the benefit of Declarant, all persons acquiring legal title to lot nos. 45 through and including 50 and all other future lake lots as described on Exhibit A, (the "Lake Lot(s)"). The Declarant shall convey to the person or persons acquiring legal title to each lake lot the rights to the use of this easement. This easement shall be for the purpose of insuring orderly enjoyment and recreational benefit which shall be exclusively restricted to the owner's of the lake lots. The annual assessment to be imposed pursuant to the provisions of the Restrictive Covenants, Article VII, section 4(a), and the By-laws of SBFHA shall include the upkeep and maintenance of the lake, provided, however, that only one-third (1/3) of the cost associated with the upkeep and maintenance of the lake will be paid by members of SBFHA, with twenty-five percent (25%) of that cost paid by members of SBFHA and the remaining seventy-five percent apportioned equally among lake lot(s) owners; and the remaining two-thirds

(2/3) of the upkeep and maintenance of the lake shall be paid by Spaulding Farm Homeowners Association. All decisions concerning the maintenance of the lake shall be made, in conjunction with Spaulding Farm Limited Partnership and/or the Spaulding Farm Homeowner' Association, by the Declarant until the establishment of the SBFHA and, thereafter by the majority of the lake lot owners. Each lot owner shall have one vote and one share of expense per lot owned, regardless of the size of the lot or the value of the house constructed on the lot. Decisions concerning lake upkeep and maintenance to be made in conjunction with Spaulding Farm Limited Partnership and/or the Spaulding Farm Homeowner' Association made be made in accordance with procedures established in any agreement hereafter reached between such parties and the Declarant and/or SBFHA, but unless otherwise agreed, such decisions shall be made by the owners (or those entitled to exercise voting rights on their behalf) of the majority of the total number of lake lots in SBF and Spaulding Farm.

SECTION 2. CONDITIONS OF USE. Any individual entitled to enjoyment of the Recreation and Use Easement shall do so subject to the following conditions:

(a) No boats of greater than eighteen-foot (18) length and five-foot (5) beam shall be allowed on the on the lake and all boats must be propelled only manually, electrically, or by wind;

(b) No combustion engines, houseboats, jet skis, pontoon boats, floats, intertubes, trot lines, nets, fish traps or seines, or boat docks shall be allowed on the lake; and

(c) No swimming, hunting, or fishing shall be allowed and no floatation devices of any type without the express written permission of Declarant or it's designee;

SECTION 3. FISHING BY OWNERS OF OTHER THAN LAKE-LOTS.

Only lake lot owners and their guests are permitted to fish from the Common Area at any time.

SECTION 4. In addition to the easements reserved in the Restrictive Covenants, a twenty-five foot (25') easement for drainage and utilities and a fifty foot (50') easement for maintenance and impoundment is reserved along the property line of each lake lot which adjoins the lake.

. ARTICLE IX

COVENANTS OF OWNERS TO KEEP LOTS AND IMPROVEMENTS INSURED AGAINST LOSS, TO REBUILD AND TO KEEP IN GOOD REPAIR

SECTION 1. The Declarant covenants with the Association, on behalf of itself and on behalf of each subsequent owner of a lot within the property, and each owner of any lot within the property, by acceptance of a deed therefore, whether or not it shall be so expressed in said deed , or by exercise of any act of ownership, is deemed to covenant:

(a) The Association shall obtain a general all-peril public liability policy and a blanket insurance policy equal to the full replacement value of any and all/or all improvements constructed upon the Common Area. Said policy shall contain a replacement cost endorsement providing for replacement of a structure from insurance loss proceeds, and said policy shall be consistent with the requirements of any mortgages or financing agreements to which the Common Area and any improvements thereon may be subject.

(b) The Association shall apply the full amount of any insurance proceeds to the rebuilding or repair of any said improvement, subject to the concurrence of any mortgagee or lienholder having a right to control the application of such proceeds.

(c) Each owner shall keep his lot and any improvements thereon adequately maintained and repaired at all times in a neat, attractive and presentable manner so as not to detract from the overall appearance of the subdivision or the surrounding property. If improvements are not adequately maintained and repaired the SBFHA will repair and maintain said improvements at the owner's expense, or remove the said improvement at owner's expense.

(d) Any owner shall, at his own expense, carry adequate hazard and homeowners insurance policies insuring the residence and improvements on his lot.

(e) In the event a dwelling is damaged or destroyed, and the owner does not begin repair or reconstruction within thirty (30) days following the damage or destruction, he shall remove or cause to be removed, at his expense, all debris from the lot, so that it shall be placed in a neat, clean and safe condition; and if he fails to do so, the other lot owners may cause the debris to be removed, and the cost of removal shall constitute a lien upon the dwelling until paid by the owner and may be foreclosed in the same manner set forth in ARTICLE VII for liens for assessments.

(f) Premiums for the group or blanket hazard insurance policy and the general public liability policy shall be a common expense and shall be collectible in the same manner and to the same extent as provided for annual and special assessments in Article VII.

(g) In the event of damage or destruction by fire or other casualty to any property covered by insurance payable to the Association, the Board of Directors shall, with the concurrence of mortgagees, if any, upon receipt of the insurance proceeds, contract to rebuild or repair such damaged or destroyed portions of the property to as good condition as prior to the damage. All such insurance proceeds shall be deposited in a bank or other financial institution, the accounts of which bank or institution are insured by a federal governmental agency, with the provision agreed to by said bank or institution that such funds may be withdrawn only by

the signature of a designated member of the Board of Directors or by an agent duly authorized by the Board of Directors.

(h) Also, the Association may levy in any calendar year, a special assessment for the purpose of defraying the cost of construction, reconstruction, repair, or replacement of a building or buildings constructed with the Common Area, to the extent that insurance proceeds under a group insurance policy containing a replacement cost endorsement are insufficient to pay all costs of said construction, reconstruction, repair or replacement to as good condition as prior to damage or destruction by fire or other casualty covered by insurance.

(i) Any dwelling which has been destroyed, in whole or in part, by fire or other casualty, and is subsequently restored or reconstructed, shall be subject to the provisions of this declaration and to the by-laws of the Association.

(j) The Association shall maintain adequate fidelity coverage against dishonest acts by officers, directors, trustees and employees, and all others who are responsible for handling funds of the Association. Such fidelity bonds shall:

- (1) Name the Association as an obligee;
- (2) Be written in an amount equal to at least twenty percent (20%) of the estimated annual operation expenses of the Association, including reserves.

(3) Contain waivers of any defense based on the exclusion of persons who serve without compensation from any definition of "employee" or similar expression.

ARTICLE IV.

GENERAL PROVISIONS

SECTION 1. ENFORCEMENT. The Association and any owner or occupant, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of the Declaration, an owner or occupant is successful in any such proceeding brought to enforce the provisions of this Declaration or any lien provided for herein, such successful party shall be entitled to recover from the defendant or defendants all costs and attorneys' fees reasonably incurred in such proceeding. Failure by an owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. The Association shall have the right to request that law enforcement, public safety and animal control officers come on the property to facilitate the enforcement of the laws, codes and ordinances of any governmental authority.

SECTION 2. SEVERABILITY. Invalidation of any one of the covenants or restrictions by judgment or court order shall in no wise affect any other provisions which shall remain in full force and effect.

SECTION 3. MINOR VIOLATIONS; AMENDMENT. Declarant may, without the joinder of any Owner, waive in whole or in part any minor violations of any of the restrictions herein contained. The covenants and restrictions of this Declaration shall run with and bind the land for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first five (5) year period by an instrument signed by Declarant and Owners holding at least ninety percent (90%) of the then outstanding votes in the Association, and thereafter by an instrument signed by members holding not less than seventy-five percent (75%) of the then outstanding votes in the Association, provided that no amendment shall alter any obligation to pay ad valorem taxes or assessments for public improvements, as herein provided, or affect any lien for the payment thereof established herein. Any amendment must be properly recorded.

SECTION 4. Declarant reserves the right to annex other property in the same general area of the subdivision to these restrictive covenants. Such annexation shall be accomplished by the recording of an appropriate document in the Greenville County RMC Office in which the additional property is adequately described. All such annexed property shall be deemed to be part of

the subdivision for all purposes herein set forth as though it had been described herein.

SECTION 5. If the undersigned, or the successors, heirs, or assigns, shall violate or attempt to violate any of the covenants herein, it shall be lawful for any other person owning real property situated in said subdivision to prosecute any proceedings at law or in equity against the person or persons violating or attempting to violate any such covenant to prevent him or them from so doing or to recover damages or other dues for such violation.

IN WITNESS WHEREOF, the undersigned JAMES D. SEWARD BUILDER/DESIGNER, INC. (by and through its duly authorized officer) has caused this instrument to be executed as of the 20th day of Jan., 1997.

Witnesses:

JAMES D. SEWARD/BUILDER/DESIGNER, INC.

W.D. Rutah
Jane H. Reelard

By:

[Signature]
President

Its:

STATE OF South Carolina
COUNTY OF Greenville

)
)
)

PROBATE

PERSONALLY appeared the undersigned witness and made oath that (s)he, saw the within named James D. Seward Builder/Designer, Inc. by its President, James D. Seward, Jr. sign, seal and as his act and deed, deliver the within written Subordination Agreement and that (s)he, with the other witness subscribed above, witnessed the execution thereof.

Janet H. Richardson

SWORN to before me this

10th day of Jan, 1997.

W.D. Richardson (SEAL)
Notary Public for South Carolina
My Commission Expires: 11/28/2000

EXHIBIT A
TO
DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
APPLICABLE TO
STONEBROOK FARM

ALL that piece, parcel, or lot of land situate, lying and being in the County of Greenville, State of South Carolina, being shown and designated as 83.748 Acres on a Plat entitled StoneBrook Farm, Phase 1, sheets 1, 2 and 3, dated January 7, 1997, prepared by C.O. Riddle Surveying Company and recorded in the RMC Office of Greenville County in Plat Book 34C, page 75-77 inclusive, reference to said plat being craved for metes and bounds description.

FILED FOR RECORD IN GREENVILLE
COUNTY SC RMC OFFICE AT 11:59 AM
01/20/97 RECORDED IN DEED
BOOK 1665 PAGE 0778
DOC # 97003790

Judy A. Hix

Handwritten initials and marks at the top left of the page.

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BOOK 1868 PAGE 646 ✓

STATE OF SOUTH CAROLINA)
COUNTY OF GREENVILLE)

FILED
GREENVILLE, SC

1999 SEP 27 P 1:24

DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS
APPLICABLE TO
STONEBROOK FARM
PHASE 2A AND 4

JUDY C. HIX
REGISTERED CLERK

THIS DECLARATION made on the date hereinafter set forth by Gray-Chris LLC, a South Carolina corporation, hereinafter referred to as "Declarant."

W I T N E S S E T H :

WHEREAS, Declarant is the owner of all of certain real property in the County of Greenville, State of South Carolina, which is more particularly described in Exhibit A attached hereto and incorporated herein by reference; and

WHEREAS, Declarant is developing the above-described property for single-family residential use as StoneBrook Farm (hereinafter "SBF"), and in connection therewith Declarant wishes to ensure the proper use, development and improvement of such property so as to protect the owners and occupants of lots therein by restricting the use of all lots for purposes consistent with the overall development of SBF in an attractive and desirable manner and by

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encouraging the erection of attractive, ^{BOOK 1868 PAGE 647} harmonious and appropriately located permanent improvements.

WHEREAS, the subdivision has been completed to the extent that a plat thereof has been prepared and Declarant intends to convey lots in the subdivision subject to a uniform system of covenants, restrictions, uses and charges as hereinafter set forth;

NOW, THEREFORE, Declarant hereby declares that all of the property described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with the real property and be binding on all parties having any right, title or interest in the described property or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I.

DEFINITIONS

SECTION 1. "Association" shall mean and refer to the StoneBrook Farm Homeowners Association, Inc. (hereinafter referred to as "SBFHA") it's successors and assigns. The Association shall be a not-for-profit corporation formed under the laws of the State of South Carolina by or at the direction of Declarant and having such by-laws as determined by Declarant as may be appropriate to carry out the purposes of the Association consistent with the requirements of this Declaration. Until such time as the

Association is formed, the Declarant shall carry out the functions of the Association as set forth in this Declaration.

SECTION 2. "Owner" shall mean and refer to the record Owner, whether one or more persons or entities, of a fee simple title to any Lot, or any portion thereof, which is a part of the property, but excluding those having such interest merely as security for the performance of an obligation.

SECTION 3. "Occupant" shall mean any person or entity who occupies, or who has the right to occupy, all or a part of any lot which is a part of the property, whether such occupancy or right of occupancy is based on ownership, lease, license or easement.

SECTION 4. "Improvement" shall mean any structure or construction of any kind that alters the physical appearance of a lot, including but not limited to, buildings, outbuildings, roads and driveways (no public access), parking area, fences, screening walls, retaining walls, loading area, signs, utilities, lawns, landscaping and walkways located on lots, together with any construction work or treatment done or applied to a lot in connection therewith.

SECTION 5. "Building" shall mean and include, but shall not be limited to, both the main portion of a structure built for permanent use and all projections or extensions thereof, including, but not limited to, garages, outside platforms, canopies, porches and outbuildings.

SECTION 6. "Property" shall mean and refer to that certain real property described in Exhibit A.

SECTION 7. "Common Area" shall mean all real property located within the property owned or maintained or to be maintained by the Association, and specifically designated by Declarant as "Common Area," including, but not limited to, areas shown on any recorded plat of the property as "Common Area" or as beautification easements, together with such facilities and improvements as may be constructed thereon, for the common use and enjoyment of the members of the Association. The initial portions of the Common Area to be owned by the Association may be conveyed to the Association by Declarant at such time as it shall be determined by the Declarant, in the exercise of it's sole discretion, that the Association is able to maintain them. The Common Area also shall be deemed to include such additional property as Declarant may from time to time designate by filing a Declaration to such effect in the public records of Greenville County, South Carolina, and, if appropriate by conveying the same to the Association. Further, the Common Area shall include other real or personal property acquired by the Association in accordance with it's by-laws if the same is designated as a part of the Common Area. Common Area may include any real property, with facilities and improvements constructed thereon, which is located

within SBF development and which benefits the property as defined in Exhibit A.

SECTION 8. "Member" shall refer to every person or entity who holds membership with voting rights in the Association.

SECTION 9. "Declarant" shall mean and refer to James D. Seward Builder/Designer, Inc., its successors and assigns.

SECTION 10. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision plat or development plan of the Property.

SECTION 11. "By-laws" shall mean the by-laws of the Association as they now or may hereafter exist.

ARTICLE II.

PROPERTY RIGHTS

SECTION 1. OWNER'S EASEMENTS OF ENJOYMENT. Every Owner shall have a right and easement of enjoyment in and to those portions of the common easements owned by the Association which shall be appurtenant to and shall pass with the title to every lot, whether or not referred to in any deed conveying title to any lot, subject to the following provisions:

(a) The right of the Association to suspend the voting rights of an owner or occupant for any period during which any assessment against his lot remains unpaid.

(b) The right of the Association to grant right of ways and easements across or beneath all or any part of the common area to any public agency, authority, or utility.

(c) The right of the Association, in accordance with it's Articles and by-laws, to borrow money for the purpose of improving the common area and to mortgage, pledge or otherwise hypothecate any or all of it's real or personal property as security for any such money borrowed.

SECTION 2. LEASES OF LOTS. Any permitted lease agreement between an owner and a lessee for the lease of such owner's lot shall provide that the terms of the lease shall be subject in all respects to the provisions of this Declaration of Covenants, Conditions and Restrictions, the Articles of Incorporation and by-laws of the Association and that any failure by the lessee to comply with the terms of such document shall be a default under the terms of the lease. All leases of lots shall be in writing for a term of not less than six (6) months, and shall not provide for the lease of less than the entire lot and all improvements located thereon.

SECTION 3. DELEGATION OF USE. Any owner may delegate, in accordance with the applicable by-laws of the Association, his rights of enjoyment of the Common Area and facilities to the members of his family , guests, tenants, or contract purchasers,

provided that every such delegee shall reside upon the property or be accompanied by the owner.

ARTICLE III.

MEMBERSHIP AND VOTING RIGHTS

SECTION 1. Every owner of a lot which is subject to a lien for assessments shall be a member of the Association. An owner may assign in writing his membership and voting rights to an occupant upon such terms as the Association may prescribe. Otherwise, membership and voting rights shall be appurtenant to, and may not be separated from, ownership of any lot which is subject to assessment; provided, however that no such assignment shall affect the obligation of the owner to pay the assessment described in ARTICLE IV hereof.

Each owner of a lot shall be entitled to voting rights consisting of one vote for each lot, except as set forth below. When more than one person holds an interest in any lot, all such persons shall be members. The vote or votes for such lot shall be exercised as they may among themselves determine, but, in no event, shall multiple owners of a lot be entitled to cast more than one vote for that lot.

ARTICLE IV

COVENANT FOR MAINTENANCE AND ASSESSMENTS

SECTION 1. PURPOSE OF ASSESSMENTS

(a) All monies collected by the Association shall be treated as the separate property of the Association, and such monies may be applied by the Association to the payment of any expenses of operating and managing the property, or to the proper undertaking of all acts and duties imposed upon it by virtue of this Declaration, the Articles of Incorporation and the by-laws of the Association. As monies for any assessment are paid into the Association by any lot owner, the same may be commingled with monies paid to the Association by the other lot owners. Although all funds and common surplus, including other assets of the Association, and any increments thereto or profits derived therefore shall be held for the benefit of the members of the Association, no member shall have the right to assign, hypothecate, pledge, or in any manner transfer his membership interest therein, except as an appurtenance to his lot. When a lot owner shall cease to be a member of the Association by reason of his divestment of ownership of his lot, by whatever means, the Association shall not be required to account to such owner for any share of the fund or assets of the Association which may have been paid to the Association by such owner, as all monies which any owner has paid to the Association shall be and constitute an asset of the Association which may be used in the operation and management of the property.

(b) In addition to the annual assessments authorized above, the Association may levy, at any time during any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the costs of construction, reconstruction, unexpected repair or replacement of a described capital improvement upon the Common Area, including the necessary fixtures and personal property related thereto, except as required by Declarant under Section 1, ARTICLE VII of these covenants, provided that any such assessment shall have the assent of three-fourths (3/4) of the votes cast by the members who are voting in person or by proxy at a meeting duly called for this purpose.

SECTION 2. EFFECT OF NON-PAYMENT OF ASSESSMENTS: REMEDIES OF THE ASSOCIATION. Any annual or special assessment not paid within thirty (30) days after the due date shall bear interest from the due date at an annual rate of two percent (2%) above the prime interest rate established by major banks operating in Greenville County, South Carolina. The Association may bring an action at law against the owner personally obligated to pay the same or foreclose the lien created herein against the property in the same manner as prescribed by the laws of the state of South Carolina for the foreclosures of mortgages, and interest, cost's, and reasonable attorney's fees for representation of the Association in such action or foreclosure shall be added to the amount of such assessment. No owner may waive or otherwise escape liability for

the assessment provided for herein by abandonment of the lot nor shall damage to or destruction of any improvements on any lots by fire or other casualty result in any abatement or diminution of the assessments provided for herein.

SECTION 3. SUBORDINATION OF THE LIEN TO MORTGAGES. The liens provided for herein on any lot shall be subordinate to the lien of any first mortgage or deed of trust on such lot. Sale or transfer of any lot shall not affect the assessment lien or liens provided for in the preceding action.

SECTION 4. NOTICE AND QUORUM FOR ANY ACTION AUTHORIZED UNDER SECTION 1 AND 2. Written notice of any meeting called for the purpose of taking any action authorized under this article shall be sent to all members not less than seven (7) days nor more than thirty (30) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast fifty percent (50%) of the votes of the membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the preceding meeting. No such subsequent meeting shall be held more than thirty (30) days following the preceding meeting.

ARTICLE V

ARCHITECTURAL CONTROL

SECTION 1. ARCHITECTURAL COMMITTEE.

(a) The Architectural Committee shall consist of a registered architect, a registered landscape architect, the Declarant, and one other at the Declarant's discretion, until the sale of all lots and approval of the architectural plans on all homes, for the express purpose of insuring compliance with the provisions of this Article. In the event any member of the Committee should, in Declarant's opinion, for any reason cease to be able to perform his duties properly, a replacement shall be selected by Declarant.

(b) The Architectural Committee shall further have the right to refuse to approve any plans or specifications for buildings or improvements, plot plans or landscape or recreational plans, taking into consideration such factors as it may deem appropriate, including but not limited to the suitability of the proposed building or other improvements, the materials of which it is to be built, whether or not it is in harmony with its surroundings, and what effect it will have on the outlook from adjacent or neighboring property.

(c) The Architectural Committee is authorized by a unanimous vote of all its members to approve or ratify in the construction or alteration of any building or improvement minor violations of any provisions of these restrictions relating to set back, location, size of improvements or similar matters if in the opinion

of all of the Committee such shall be necessary to prevent undue hardship and to waive or vary the provisions of the Article or other provisions of this Declaration relating to the use of the property.

SECTION 5. DESIGN APPROVAL PROCESS.

(a) Application for approval as required herein shall be made to the committee at the principal office of James D. Seward Builder/Designer, Inc., 16 Stone Brook Farm Way, Greenville, South Carolina 29615, or such other address as Declarant or the Committee may hereafter designate, and at the time such application is made, the building plans, specifications, plot plans and landscape or recreational plans, together with a One Hundred and no/100 (\$100.00) Dollar non-refundable fee, and a One Thousand and no/100 (\$1,000.00) refundable fee shall be submitted with all plans in duplicate and shall have been prepared in a one-eighth (1/8) scale or larger and shall contain at a minimum:

- 1.) Building plans to include all floor plans and elevations, and
- 2.) roofing material, color, and pitch (which shall be at least 9/12), and
- 3.) estimated completion dates of all construction and improvements.
- 4.) Front yard landscape plans to consist of two (2) caliper trees or larger (if natural trees are saved then tree

requirement is waived and rest to be used in smaller plants), twelve (12) or more foundation plants seven (7) gallon size or larger or balled and burlapped twenty four (24) or more three (3) gallon size or larger; all beds to be mulched with pine straw or hardwood only. All front and side lawns to be sodded and irrigated.

One complete set of documents shall be retained by the Committee, and the second complete set shall be returned to the applicant with the Committee's approval or disapproval clearly noted thereon.

- 5.) Square footage requirements are as follows
for lots 89-96:

one story = 2,500 sq. feet
two story = 2,800 sq. feet

- 6.) Square footage requirements are as follows
for lots 70-74, 78-88, 97-106:

one story = 3,200 sq. feet
two story = 3,500 sq. feet

(b) Upon the approval by the Committee of any proposed construction or alteration, the Committee shall issue to the applicant a written permit. No construction or alteration shall be carried on until and unless such permit is obtained. If no response has been given in thirty (30) days after submission then application will be approved.

(c) Each lot owner and his contractor, subcontractor, and other agents shall take full responsibility for controlling surface water run off and sediment which may adversely affect any other property. Plans to control said run off and sediment must be submitted to the Architectural Committee along with other required plans. Notwithstanding any plans as may be submitted, the Architectural Committee may make additional reasonable requirements of lot owners to prevent or control excess run off or sediment during construction or thereafter. However, responsibility for the surface water run off will be that of the lot owner and not that of the Architectural Committee.

(d) When eighty percent (80%) of the numbered lots have been sold by Declarant, Declarant may, at it's option, turn over the functions of the Architectural Committee to the Association. The Association shall thereafter appoint the Architectural Committee, and at all times at least one member of the Committee thus appointed shall be a licensed architect.

ARTICLE VI

USE AND IMPROVEMENTS RESTRICTIONS

SECTION 2. USE OF PROPERTY. Each lot and the residence and improvements thereon and the Common Area and facilities shall be for the following uses and subject to the following restrictions and in addition to those set forth in the by-laws:

(a) Nothing shall be kept and no activity shall be carried on in any building or residence and facilities which will increase the rate of insurance, applicable to residential use, for the property or the contents thereof. No owner shall do or keep anything, nor cause or allow anything to be done or kept, in his residence or facilities which will result in the cancellations of insurance on any portion of the property, or the contents thereof, or which will be in violation of any law, ordinance or regulation. No waste shall be committed on any portion of the Common Area and facilities.

(b) No immoral, improper, offensive or unlawful use shall be made of the property, or any part thereof, and all valid laws, ordinances, and regulations of all governmental agencies having jurisdiction thereof shall be observed. All laws, orders, rules, regulations, or requirements of any governmental agency having jurisdiction thereof, relating to any portion of the property, shall be complied with, by and at the sole expense of the owner or the Association, whichever shall have the obligation to maintain or repair such portion of the property.

(c) Nothing shall be done in or to any residence or in, to or upon any of the Common Area and the facilities which will impair the structural integrity of any building, residence, or portion of the Common Area and facilities or which would impair or alter the

exterior of any building or portion thereof, except in the manner provided in this Declaration.

(d) Any camper, boat or trailer or any vehicle or item not in daily use placed upon any lot by the owner must be stored at all times behind the closed doors of the garage for such owner's residence. No such items shall be placed elsewhere on any lot on which there shall not be a garage except for brief periods reasonably necessary to load or unload them, and no repairs to such items shall be conducted upon any lot except in the garage.

(e) No trailer, basement, tent, shack, garage, barn, or other outbuildings erected upon any lot shall at any time be used as a residence, either temporarily or permanently. No structure of a temporary nature shall be used as a residence.

(f) Any and every container used to store garbage, refuse and debris, until collected by public or private waste disposal service, shall be stored on each lot so that it shall be out of sight from all streets.

(g) All exterior components of heating and air conditioning systems shall be screened by masonry or wooden walls or fences.

(h) The total area of all driveways shall be paved or finished by plant mix concrete, asphalt, or such other materials as may be approved in writing by the Architectural Committee.

(i) Nothing herein contained shall be construed to prevent James Seward Builders/Designers, Inc. from maintaining temporary

sales offices and storage on any lot while the subdivision is in the process of being developed and while houses are under construction within the development.

(j) No window air conditioning units shall be installed in any building.

(k) No wall, fence, or hedge shall be erected closer to the front street line of any numbered lot than the rear wall of any structure unless written permission to do otherwise shall have been obtained by the Architectural Committee. No fence shall be constructed of chain link wire or similar metal on any lot in the subdivision.

(l) Fencing materials are to be limited to brick, stone, stucco on masonry, and wood, and all other materials must be approved by the Architectural Committee. All fence designs, locations, and finish color to be approved by the Architectural Committee pursuant to the guidelines set forth in Article V.

(m) No animals may be kept, maintained or quartered on any lot or any portion of the property except that cats, dogs, rabbits, hamster or caged birds may be kept in reasonable numbers as pets for the pleasure of the occupants. The Architectural Committee is authorized (but not required) to issue reasonable rules for the protection of all owners relating to the number of pets which may be kept on any numbered lot. All pets shall be kept in fenced areas or on leashes and each owner shall be responsible for the

prompt disposal of all excrement or debris of any kind resulting from any pets owned or maintained by such owner on his property. Loud and unruly animals must be controlled by owners to prevent disturbing other property owners pursuant to the ordinances set forth by Greenville County.

(n) Provisions must be made by the property owners for off street parking of their own cars and those belonging to guests, invitees, and employees, as the parking of cars on such street rights-of-way for long periods of time during the day or night will not be permitted.

(o) No motorcycles, motorbikes, minibikes, go-carts, or other similar vehicles shall be operated on any lot or on any Common Area.

(p) No fireworks of any kind shall be stored or used on any lot or in the Common Area or on any portion of the property or any public or private road or street in the subdivision.

(q) Each lot upon which a residence has been constructed shall have a mailbox of a type and size specified by Declarant or the Architectural Committee. Such mailbox shall be properly maintained at all times by the owner and shall not be altered or replaced except by a new mailbox identical to the one originally installed.

(r) No satellite dishes (18"DSS are allowed) or outside antennae of any kind shall be allowed on any lot except with the approval of the Architectural Committee.

(s) No tree having a trunk diameter of twelve inches or more shall be removed or relocated on any lot without prior written approval of the Architectural Committee.

(t) No tennis courts shall be constructed on any lot subject to this Declaration unless the Architectural Committee, in it's sole discretion, shall have granted permission for their construction following a detailed review of all plans for location, construction, lighting and landscaping. In no event, however, shall any tennis courts be constructed on any lot which are not located at least twenty-five (25) feet from any property line.

(u) No motorized boats or other motorized watercraft of any kind shall be used on any lakes or ponds in the Common Area, and no boat or other watercraft shall be docked or stored on any lake or pond or in the surrounding Common Area when not in use.

(v) All property subject to this Declaration is hereby declared to be and designated as a bird sanctuary.

SECTION 3. QUIET ENJOYMENT. No obnoxious or offensive activity, including activity which creates loud or offensive noises, shall be carried on upon the property, nor shall anything be done which may be or may become a nuisance or annoyance to residents within the property.

SECTION 4. SETBACKS, LOCATION AND SIZE OR IMPROVEMENTS AND LOTS.

(a) No building shall be erected on any lot nearer to the front lot line than the building setback line as shown on the recorded plat. No residence shall be nearer to any side lot line than a distance equal to ten percent (10%) of the width of the lot measured at the front wall of the structure.

(b) In calculating the minimum floor space, only the heated area of the permitted dwelling shall be included. Any area comprising porches, garages, breezeways, unfinished attics, and unfinished basements shall be excluded. The Architectural Committee may, within its sole discretion, give credit for one-half (1/2) of the total space in an enclosed garage, storage room, and porches under roof.

(c) No garage or other outbuilding more than two stories in height shall be erected upon any numbered lot. The entrance to all garages shall face the rear or the side of the lot.

(d) No above ground swimming pools may be constructed on any lot.

(e) On any lot abutting any lake, no permitted dwelling, fence, or any other structure shall be placed closer than fifty (50) feet to such lake's shoreline.

ARTICLE VII

RECREATIONAL FACILITIES, COMMON GROUNDS AND MAINTENANCE CHARGES

SECTION 1. POOL, CLUBHOUSE AND TENNIS COURTS. Declarant will build at it's expense a junior-olympic sized swimming pool, clubhouse, two lighted tennis courts and off-street parking, for the use and enjoyment of all residents of StoneBrook Farm and said facilities will be deeded to it's Homeowner's Association, for the purpose of owning and operating said facilities and maintaining all Common Areas.

SECTION 2. HOMEOWNER'S ASSOCIATION. At such time as it shall be deemed appropriate by Declarant, a not-for-profit corporation shall be formed by Declarant, pursuant to the laws of the State of South Carolina, to be named "StoneBrook Farm Homeowner's Association, Inc." This entity (SBFHA) shall be the vehicle through which all appropriate matters referred to in these

restrictions shall be transacted. SBFHA shall adopt provisions relating to the manner in which business shall be transacted in the form of "By-Laws."

SECTION 3. VOTING RIGHTS AND NON-PAYMENT OF ASSESSMENTS.

(a) Declarant will complete these facilities no later than June 1, 1999 and operate them for the purpose of the residents until January 1, 2001 or the date the last lot in the subdivision is sold, whichever shall last occur, at which time these facilities and other common areas will be deeded to SBFHA. The owner of every lot located in said subdivision shall be a member of said corporation. Declarant shall be entitled to one (1) vote for each lot it owns in the subdivision and all other owners shall be entitled to one (1) vote for each lot owned, regardless of the number of lots used to create one residence. When title to a lot is vested in two or more persons jointly, the vote shall be exercised as they among themselves determine, but in such case no more than one (1) vote shall be cast per lot not owned by Declarant. Membership shall be appurtenant to an may not be separated from ownership of the property which is subject to assessment.

(b) SBFHS will have the right to suspend voting rights and rights to use the recreational facilities for any period during which any assessment, either annual or special, against his

property remains unpaid for a period not to exceed sixty (60) days or for any infraction of it's published rules and regulations. In the event of non-payment of any assessment as set forth herein, SBFHA may bring an action at law against the owner(s) personally obligated to pay same or foreclose a lien against property in the same manner that a real estate mortgage is foreclosed and interests, costs, and attorney's fees shall be added to the amount of such assessment. The lien of SBFHA against the property must be established by, and shall be effective from the time of filing a Lis Pendens in the office of the Clerk of Court of Greenville County. Failure of SBFHA, or any owner, to enforce any covenant or lien herein contained shall in no event be deemed a waiver of it's right to do so.

SECTION 4. ASSESSMENTS.

(a) An annual assessment consistent with the by-laws of SBFHA shall be levied by SBFHA against each lot in the subdivision for maintenance and operation of various amenities, including, but not limited to, landscaping, swimming pool, clubhouse, tennis courts, street lights, street signs, entrances, private roads, all utility bills associated with the aforementioned, insurance (both structural and liability) and various miscellaneous expenses. Said assessment shall be between Seven Hundred and Fifty (\$750.00) Dollars and One Thousand (\$1,000.00) Dollars beginning on September 1, 1998, which amount is subject to change pursuant to the provisions

of the by-laws of SBFHA, and said assessment shall be due and payable to SBFHA on the 1st of September of each year to cover the fiscal year beginning on September 1st and ending on August 30th, of each year. Any assessment not paid within thirty (30) days after the due date thereof shall bear interest from the due date at the legal rate of interest. The acceptance of a deed by grantee shall be construed to be a covenant by the grantee(s) to pay said assessment, which shall run with the land and be binding upon said grantee, his successors, heirs, and assigns. No person shall waive or otherwise escape liability hereunder by the non-use of the facilities of SBFHA or abandonment of the property.

(b) The annual assessment to be levied by SBFHA shall not apply to any lot or permitted dwelling so long as either is wholly or partially owned by any entity in which James d. Seward Builders/Developers, Inc. or Gray-Chris LLC has at least a twenty-five percent (25%) interest. When an owner acquires title to a lot from Declarant, such owner shall pay a proportional share of the assessment in effect for that year, which partial assessment shall be due at closing.

(c) Until such time as Declarant forms SBFHA, Declarant is empowered to perform the functions that will be performed by SBFHA and for this purpose may make such rules and regulations as it deems desirable to carry out said purposes. During the interim period, Declarant shall have the power to collect the annual

assessment imposed pursuant to ARTICLE VII herein for the purposes therein provided.

ARTICLE VIII

EASEMENTS

SECTION 1. WALKS, DRIVES, PARKING AREAS AND

UTILITIES. All common areas shall be subject to a perpetual non-exclusive easement or easements in favor of all owners of lots for their use and the use of their immediate families, guests, invites, tenants, or lessees for all proper and normal purposes and for ingress and egress and regress to and from such easements for driveways, walkways, parking areas, water lines, sanitary sewers, storm drainage facilities, gas lines, telephone and electric power lines, television cable or antenna lines, and other public utilities as shall be established either prior to or subsequent to subjecting this property to this Declaration by the Declarant or it's predecessors in title and for use of the owners, their families, guests, and tenants. The Declarant hereby expressly reserves the right to grant and/or create any such easement subsequent to the date hereof in the event the necessity of such shall subsequently become apparent due to the development of the property. The Association shall have the power and authority to grant and to establish in, over, upon, and across the Common Area conveyed to it such further easements as are requisite for the convenient use and enjoyment of the property. Further, Declarant

and the Association shall have the right at any time to enter upon any landscape, utility, or other easement shown on any recorded subdivision plat of the property and/or established pursuant to cross such other portions of the property as may be reasonably necessary to carry out such maintenance.

SECTION 2. LAKE EASEMENTS AND RESTRICTIONS OF USE. The Declarant hereby reserves a "Recreation and Use Easement" over the impoundment area shown on the plat referred to in Exhibit A a. the "Lake" for the benefit of Declarant, all persons acquiring legal title to lot nos. 45 through and including 50 and all other future lake lots as described on Exhibit A, (the "Lake Lot(s)"). The Declarant shall convey to the person or persons acquiring legal title to each lake lot the rights to the use of this easement. This easement shall be for the purpose of insuring orderly enjoyment and recreational benefit which shall be exclusively restricted to the owner's of the lake lots. The annual assessment to be imposed pursuant to the provisions of the Restrictive Covenants, Article VII, section 4(a), and the By-laws of SBFHA shall include the upkeep and maintenance of the lake, provided, however, that only one-third (1/3) of the cost associated with the upkeep and maintenance of the lake will be paid by members of SBFHA, with twenty-five percent (25%) of that cost paid by members of SBFHA and the remaining seventy-five percent apportioned equally among lake lot(s) owners; and the remaining two-thirds

(2/3) of the upkeep and maintenance of the lake shall be paid by Spaulding Farm Homeowners Association. All decisions concerning the maintenance of the lake shall be made, in conjunction with Spaulding Farm Limited Partnership and/or the Spaulding Farm Homeowner' Association, by the Declarant until the establishment of the SBFHA and, thereafter by the majority of the lake lot owners. Each lot owner shall have one vote and one share of expense per lot owned, regardless of the size of the lot or the value of the house constructed on the lot. Decisions concerning lake upkeep and maintenance to be made in conjunction with Spaulding Farm Limited Partnership and/or the Spaulding Farm Homeowner' Association made be made in accordance with procedures established in any agreement hereafter reached between such parties and the Declarant and/or SBFHA, but unless otherwise agreed, such decisions shall be made by the owners (or those entitled to exercise voting rights on their behalf) of the majority of the total number of lake lots in SBF and Spaulding Farm.

SECTION 2. CONDITIONS OF USE. Any individual entitled to enjoyment of the Recreation and Use Easement shall do so subject to the following conditions:

(a) No boats of greater than eighteen foot (18) length and five-foot (5) beam shall be allowed on the lake and all boats must be propelled only manually, electrically, or by wind;

(b) No combustion engines, houseboats, jet skis, pontoon boats, floats, intertubes, trot lines, nets, fish traps or seines, or boat docks shall be allowed on the lake; and

(c) No swimming, hunting, or fishing shall be allowed and no floatation devices of any type without the express written permission of Declarant or it's designee;

SECTION 3. FISHING BY OWNERS OF OTHER THAN LAKE-LOTS.

Only lake lot owners and their guests are permitted to fish the Common Area at any time.

SECTION 4. In addition to the easements reserved in the Restrictive Covenants, a twenty-five foot (25') easement for drainage and utilities and a fifty foot (50') easement for maintenance and impoundment is reserved along the property line of each lake lot which adjoins the lake.

ARTICLE IX

COVENANTS OF OWNERS TO KEEP LOTS AND IMPROVEMENTS INSURED

AGAINST LOSS, TO REBUILD AND TO KEEP IN GOOD REPAIR

SECTION 1. The Declarant covenants with the Association, on behalf of itself and on behalf of each subsequent owner of a lot within the property, and each owner of any lot within the property, by acceptance of a deed therefore, whether or not it shall be so expressed in said deed, or by exercise of any act of ownership, is deemed to covenant:

(a) The Association shall obtain a general all-peril public liability policy and a blanket insurance policy equal to the full replacement value of any and all/or all improvements constructed upon the Common Area. Said policy shall contain a replacement cost endorsement providing for replacement of a structure from insurance loss proceeds, and said policy shall be consistent with the requirements of any mortgages or financing agreements to which the Common Area and any improvements thereon may be subject.

(b) The Association shall apply the full amount of any insurance proceeds to the rebuilding or repair of any said improvement, subject to the concurrence of any mortgagee or lienholder having a right to control the application of such proceeds.

(c) Each owner shall keep his lot and any improvements thereon adequately maintained and repaired at all times in a neat, attractive and presentable manner so as not to detract from the overall appearance of the subdivision or the surrounding property. If improvements are not adequately maintained and repaired the SBFHA will repair and maintain said improvements at the owner's expense, or remove the said improvement at owner's expense.

(d) Any owner shall, at his own expense, carry adequate hazard and homeowners insurance policies insuring the residence and improvements on his lot.

(e) In the event a dwelling is damaged or destroyed, and the owner does not begin repair or reconstruction within thirty (30) days following the damage or destruction, he shall remove or cause to be removed, at his expense, all debris from the lot, so that it shall be placed in a neat, clean and safe condition; and if he fails to do so, the other lot owners may cause the debris to be removed, and the cost of removal shall constitute a lien upon the dwelling until paid by the owner and may be foreclosed in the same manner set forth in ARTICLE VII for liens for assessments.

(f) Premiums for the group or blanket hazard insurance policy and the general public liability policy shall be a common expense and shall be collectible in the same manner and to the same extent as provided for annual and special assessments in Article VII.

(g) In the event of damage or destruction by fire or other casualty to any property covered by insurance payable to the Association, the Board of Directors shall, with the concurrence of mortgagees, if any, upon receipt of the insurance proceeds, contract to rebuild or repair such damaged or destroyed portions of the property to as good condition as prior to the damage. All such insurance proceeds shall be deposited in a bank or other financial institution, the accounts of which bank or institution are insured by a federal governmental agency, with the provision agreed to by said bank or institution that such funds may be withdrawn only by

the signature of a designated member of the Board of Directors or by an agent duly authorized by the Board of Directors.

(h) Also, the Association may levy in any calendar year, a special assessment for the purpose of defraying the cost of construction, reconstruction, repair, or replacement of a building or buildings constructed with the Common Area, to the extent that insurance proceeds under a group insurance policy containing a replacement cost endorsement are insufficient to pay all costs of said construction, reconstruction, repair or replacement to as good condition as prior to damage or destruction by fire or other casualty covered by insurance.

(i) Any dwelling which has been destroyed, in whole or in part, by fire or other casualty, and is subsequently restored or reconstructed, shall be subject to the provisions of this declaration and to the by-laws of the Association.

(j) The Association shall maintain adequate fidelity coverage against dishonest acts by officers, directors, trustees and employees, and all others who are responsible for handling funds of the Association. Such fidelity bonds shall:

- (1) Name the Association as an obligee;
- (2) Be written in an amount equal to at least twenty percent (20%) of the estimated annual operation expenses of the Association, including reserves.

(3) Contain waivers of any defense based on the exclusion of persons who serve without compensation from any definition of "employee" or similar expression.

ARTICLE IV.

GENERAL PROVISIONS

SECTION 1. ENFORCEMENT. The Association and any owner or occupant, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of the Declaration, an owner or occupant is successful in any such proceeding brought to enforce the provisions of this Declaration or any lien provided for herein, such successful party shall be entitled to recover from the defendant or defendants all costs and attorneys' fees reasonably incurred in such proceeding. Failure by an owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. The Association shall have the right to request that law enforcement, public safety and animal control officers come on the property to facilitate the enforcement of the laws, codes and ordinances of any governmental authority.

SECTION 2. SEVERABILITY. Invalidation of any one of the covenants or restrictions by judgment or court order shall in no wise affect any other provisions which shall remain in full force and effect.

SECTION 2. MINOR VIOLATIONS; AMENDMENT. Declarant may, without the joinder of any Owner, waive in whole or in part any minor violations of any of the restrictions herein contained. The covenants and restrictions of this Declaration shall run with and bind the land for a term of twenty(20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first five (5) year period by an instrument signed by Declarant and Owners holding at least ninety percent (90%) of the then outstanding votes in the Association, and thereafter by an instrument signed by members holding not less than seventy-five percent (75%) of the then outstanding votes in the Association, provided that no amendment shall alter any obligation to pay ad valorem taxes or assessments for public improvements, as herein provided, or affect any lien for the payment thereof established herein. Any amendment must be properly recorded.

SECTION 4. Declarant reserves the right to annex other property in the same general area of the subdivision to these restrictive covenants. Such annexation shall be accomplished by the recording of an appropriate document in the Greenville County RMC office in which the additional property is adequately described. All such annexed property shall be deemed to be part of

EXHIBIT A
TO
DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
APPLICABLE TO
STONEBROOK FARM

Description as to StoneBrook Farm Phase 2A:

ALL that piece, parcel, or lot of land situate, lying and being in the County of Greenville, State of South Carolina, being shown and designated as 4.484 Acres on a Plat entitled StoneBrook Farm, Phase 2A prepared by C.O. Riddle Surveying Company and recorded in the RMC Office of Greenville County in Plat Book 36V, page 50, reference to said plat being craved for metes and bounds description.

Description as to StoneBrook Farm Phase 4:

ALL that piece, parcel, or lot of land situate, lying and being in the County of Greenville, State of South Carolina, being shown and designated as 21.766 Acres on a Plat entitled StoneBrook Farm, Phase 4 prepared by C.O. Riddle Surveying Company and recorded in the RMC Office of Greenville County in Plat Book 39G, page 51, reference to said plat being craved for metes and bounds description.

the subdivision for all purposes herein set forth as though it had been described herein.

SECTION 5. If the undersigned, or the successors, heirs, or assigns, shall violate or attempt to violate any of the covenants herein, it shall be lawful for any other person owning real property situated in said subdivision to prosecute any proceedings at law or in equity against the person or persons violating or attempting to violate any such covenant to prevent him or them from so doing or to recover damages or other dues for such violation.

IN WITNESS WHEREOF, the undersigned Gray-Chris LLC (by and through its duly authorized officer) has caused this instrument to be executed as of the 22nd day of SEPT., 1999.

Witnesses:

[Signature]
[Signature]

GRAY-CHRIS LLC

By:

[Signature]

Its:

Principal

Witnesses

[Signature]
[Signature]
[Signature]
[Signature]
[Signature]
[Signature]
[Signature]
[Signature]

Lot 70

[Signature]
Walter E. Panagakos
[Signature]
Patricia D. Panagakos

Lot 71

[Signature]
Arthur W. Jordan, Jr.

Lot 80

[Signature]
Seward Development, Inc.

Lot 84

[Signature]
Milestone Custom Homes, Inc.

Lot 103

[Signature]
Dean B. Livingston, Jr.
[Signature]
Tina N. Livingston

STATE OF SOUTH CAROLINA)
)
COUNTY OF GREENVILLE) PROBATE

PERSONALLY appeared the undersigned witness and made oath that (s)he, saw the within named Gray-Chris, LLC by its Principal, John J. Meidl, Walter E. Panagakos, Patricia D. Panagakos, Aurthur W. Jordan, Jr., Seward Development, Inc. by its President, James D. Seward, Jr., Milestone Custom Homes, Inc. by its President, Christian Rogers, Dean B. Livingston, Jr., and Tina N. Livingston sign, seal and as their act and deed, deliver the within written Subordination Agreement and that (s)he, with the other witness subscribed above, witnessed the execution thereof.

[Handwritten Signature]



WITNESSED to before me this
22nd day of Sept, 1999.
[Handwritten Signature] (SEAL)
Notary Public for South Carolina
My Commission Expires: 8-29-07

FILED FOR RECORD IN GREENVILLE
COUNTY SC R.O.D. OFFICE AT 01:24 PM
09 27 99 RECORDED IN DEED
BOOK 1868 PAGE 0646 THRU 0682
DOC # 1999082990

Judy A. Hill