

STATE OF SOUTH CAROLINA
COUNTY OF GREENVILLE

DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
FOR HALF MILE LAKE SUBDIVISION

THIS DECLARATION, made on the date hereinafter set
Forth by Half Mile Lake Development Corporation, a South Carolina
Corporation hereinafter referred to as the "Declarant";

W I T N E S S E T H:

WHEREAS, the Declarant is the owner of certain property
in Greenville county, south Carolina, which is more particularly
described as Exhibit A, attached hereto; and

WHEREAS it is contemplated that the development will be
in several stages, as the completion of which, a separate plat
will be prepared and filed with the Register of Mesne Conveyances
for Greenville County; and

WHEREAS, the first phase has been completed to the
extent that plats thereof have been prepared and Declarant
intends to convey lots in the first phase, as well as subsequent
phases, subject to a uniform system of covenants, conditions,
restrictions, heirs and changes as hereinafter set forth;

NOW, THEREFORE, Declarant hereby declares that, except
to the extent provided for by the express Reservations set forth
herein, all of the property described in Exhibit B shall be held,
sold, and conveyed subject to the following easements,
restrictions, covenants, and conditions, all of which are the
purpose of enhancing and protecting for value, desirability and
attractiveness of the real property. These easements,
restrictions, covenants, and conditions shall run with the title
to the property and shall be binding on all parties having or

acquiring any right title or interest in the property or any part thereof, and shall inure to the benefit of each owner thereof, their respective heirs, successors and assigns, and which shall inure to the benefit of the Association and each owner, as these terms are hereinafter defined.

ARTICLE I.

DEFINITIONS

Section 1. “Architectural Committee” shall mean the persons designated by Declarant to serve as members of the Architectural Committee to perform the duties assigned to such Committee by the provisions hereof.

Section 2. “Association” shall mean and refer to Half Mile Lake Association of Owners, Inc., a South Carolina non-profit corporation, its successors and assigns.

Section 3. “Board of Directors” or “Board” means those person elected or appointed and acting collectively as the Directors of the Association.

Section 4. “Building” shall mean and refer to a structure constructed or erected on a lot in which a Residence is located.

Section 5. “By-Laws” means the by-laws of the Association as they now or hereafter exist.

Section 6. “Common Area” shall mean and refer to all land within the Property designated as such by Declarant, to be owned by the Association, along with facilities and improvements erected or constructed thereon, for the common use

and enjoyment of the members of the Association, which, as of the time of this Declaration being recorded with the Greenville County R.M.C. Office, is yet to be identified. The term “Common Area”, shall also include such additional parcels of the property as Declarant may from time-to-time designate by filing a declaration in the public records of Greenville County, South Carolina.

Section 7. “Common Expenses” shall mean and include:

- (a) All sums lawfully assessed by the Association Against its members;
- (b) Expenses for maintenance of portions of the individual residential lots (exclusive of any structure) as provided in this Declaration;
- (c) Expenses of administration, maintenance, repair or replacement of the common areas;
- (d) Expenses declared to be common expenses by the provisions of this Declaration or the By-Laws;
- (e) Hazard, liability or such other insurance premiums as the Declaration or By-Laws may require the Association to purchase;
- (f) Expenses agreed by the members to be common expenses of the Association.

Section 8. “Common Profits” shall mean and refer to the balance of all income, rents, profits, and revenues of the Association remaining after the deduction of the common expenses

or reserves therefore. Common profits shall not mean or include any sums lawfully assessed against members by the Association.

Section 9. “Declarant” shall mean and refer to Half Mile Lake Development Corporation, a South Carolina Corporation, its successors and assigns, or a person or entity to whom the rights of Declarant are expressly transferred, if such successors or assigns should acquire more than one undeveloped lot or undeveloped acreage for the purpose of development or acquire title to the property under a deed in lieu of foreclosure or judicial foreclosure, or one otherwise denominated a “Declarant” hereby.

Section 10. “Lot” shall mean and refer to any plot of land, other than the Common Area, shown on a recorded subdivision plat of the Property and upon which a residence has been or may be constructed.

Section 11. “Member” shall mean and refer to every person who is a member of the Association.

Section 12. “Mortgage” means any mortgage or other instrument encumbering any interest in any Lot and the Common Area or any part thereof, as security for the performance of an obligation.

Section 13. “Mortgagee” shall mean the owner and holder of any mortgage.

Section 14. “Owner” shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Property,

including contract sellers, but excluding those who have such interest merely as security for the performance of an obligation.

Section 15. “Person” shall mean and refer to any natural person, corporation, partnership, association, trustee or other legal entity.

Section 16. “Property” shall mean and include the property described in Exhibit B and the property described in Exhibit A as such last-mentioned property may hereafter be annexed to this Declaration in accordance with general plan of development of Half Mile Lake. Such annexation shall automatically cause the annexed property to be made subject to these Restrictions and to jurisdiction of the Association, with the right to exercise all prerogatives appertaining to membership therein. Such annexation shall occur at the time that Declarant records a document which describes the annexed property with the Greenville County Register of Mesne Conveyances. The Declarant covenants and agrees that, as subsequent property is Annexed as herein provided, and area(s) designated thereon as “Common Area” shall be conveyed by warranty deed to the Association.

Section 17. “Reservation” shall mean the rights reserved by Declarant pursuant to the provisions of Article VII, Section 2(b).

Section 18. “Residence” shall mean and refer to a dwelling or place of residence constructed upon a lot within the property and constituting all or part of a building.

ARTICLE II.

PROPERTY RIGHTS

Section 1. Owners' Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot, whether or not the same shall be referred to in any deed conveying title to any lot, subject to each of the following provisions:

(a) The right of the Association to limit the number of guests of members.

(b) The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility, for such purposes and subject to such conditions as may be agreed to by the Members. Any such deed or transfer shall be effective when duly filed with the Register of Mesne conveyances for Greenville County and executed by Declarant or the Association, as appropriate.

(c) The right of this Association, in accordance with its Articles and By-Laws, to borrow money for the purpose of improving the limited common Area and facilities.

(d) The right of the Association to suspend the voting rights of a Member, or any person to whom he has delegated his voting right, for any period during which any assessment against his lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations.

(e) The right of the Association to formulate, publish, and enforce rules and regulations as provided in Article VII.

Section 2. Delegation of Use. Any Owner may delegate, in accordance with the By-Laws, his rights of enjoyment to the Common Area and facilities to the members of his family, his tenants, or contract purchasers, provided, every such delegee shall reside on the Property.

Section 3. Title to Common Area. The Declarant hereby covenants for itself, its successors and assigns, that it will convey fee simple title to the Common Areas when there shall be any such area(s) designated upon any recorded plat upon the annexation of any property, as is provided elsewhere herein, to these Declarations free and clear of all liens and encumbrances, within a reasonable time following the time said plat shall have been recorded in the Greenville County RMC Office, except for utility and drainage easements, easements to governmental authorities and such easements and /or rights-of-way as may be reserved or delineated by Declarant or any plat(s) of all or portions of the property. Any such area(s) as shall be designated Common Area shall be for the sole and exclusive use and benefit of all Members, as long as such area is maintained in conformity with the requirements of this Declaration, the By-Laws, and the Articles of Incorporation of the Association, at the sole expense of the Owners. Similarly, Declarant will convey

to the Association, upon the same conditions and for the same

uses and purposes, Common Areas which are parts of any additional properties that may be annexed by Declarant in the future.

ARTICLE III.

MEMBERSHIP

Section 1. Every person who is record owner of a fee or undivided fee interest in any Lot which is subject by covenants of record to assessment by the Association, including contract sellers, but excluding persons who hold an interest merely as security for the performance of any obligations, shall be a Member of the Association. Ownership of such interest shall be the sole qualification for such membership; and there shall be only one vote per residence in such Association. Membership shall be appurtenant to and may not be separated from ownership of any lot which is subject to assessment. The Board of Directors may make reasonable rules regarding proof of ownership.

ARTICLE IV.

VOTING RIGHTS

Section 1. Classes. The Association shall have the following two classes of voting membership commencing with the filing of this Declaration of Covenant, Conditions and Restrictions.

(a) Class A. All Owners, with the exception of Declarant shall be Class A Members. Class A Members shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot all such persons shall be Members. The vote for such Lot shall be exercised as the Owners

thereof determine, but in no event shall more than one vote be cast with respect to any Lot, and no fractional vote may be cast with respect to any Lot.

(b) Class B Member shall be the Declarant and it shall have 425 votes, provided that the Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(1) When the total vote outstanding in Class A Membership equals the total votes of Class B membership, or

(2) on the eighth (8th) anniversary of the date hereof.

ARTICLE V.

COVENANTS FOR ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned Within the Property, hereby covenants, and every other owner of Any Lot by acceptance of a deed therefore, whether or not it shall

Be so expressed in any such deed or other conveyance, is deemed
To covenant and agree to pay to the Association:

- (a) Annual assessments or charges;
- (b) Special assessments for capital improvements, and
- (c) Special assessments for construction and reconstruction of structures, if any, located upon the Common Area, as hereinafter provided.

Such assessments shall be fixed, established, and collected from time to time as hereinafter provided.

The annual and special assessments, together with interest thereon and costs of collection thereof, as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the Lot and improvements against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the owner of the Lot at the time when the assessment fell due. The personal obligation of an owner for delinquent assessments shall not pass to his successors in title unless expressly assumed by them and then only with the consent of the Association.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively for promoting the recreation, health, safety and welfare of the residents in

the Property; enforcing these covenants and the rules of the Association; improving and maintaining the Common Area and structures, if any, situated within the Common Area; paying the ad valorem property taxes, if any, accrued against property owned by the Association and any other governmental liens which may be assessed against such property; paying for premiums for all insurance policies the Association shall be required to keep in full force and effect; and providing the services and facilities for the purpose of and related to the use and enjoyment of the Common Area and facilities.

Section 3. Amount of Assessment.

(a) Initial Partial Assessment. Each Lot shall be assessed the sum of \$50.00, payable in full at the time legal title thereto is conveyed by Declarant or by a Licensed Builder who or which shall have acquired legal title from Declarant.

(b) initial Assessment. Beginning on January 1, 1989, and until December 31, 1989, the initial annual assessment shall not be in excess of One Hundred Twenty-Five (\$125.00) and no/100 Dollars per Lot per annum.

(c) Increase by Association. From and after January 1, 1990, the annual assessment may be increased by a percentage greater than that established pursuant to the provisions of the formula set forth in Section 3 (d) by an affirmative vote of a majority of the Members who are voting in person or by proxy, at

a meeting duly called for such purpose, written notice of which, setting forth the purpose of the meeting, shall be sent to all Members not less than ten (10) days nor more than thirty (30) days in advance of the meeting. The limitations herein set forth shall not apply to any increase in assessments undertaken as an incident to a merger or consolidation in which the Association is authorized to participate under its Articles of Incorporation.

(d) Criteria for Establishing Annual Assessment. In establishing the annual assessment for any assessment year, the Board of Directors shall consider all current costs and expenses of the Association, any accrued debts and reserves for future needs, but it may not fix the annual assessment in an amount in

excess of ten (10%) percent per annum as provided in Subsection (b) without the consent of Members required by Subsection (c) of this Section 3.

(e) Lots Owned by Declarant. Notwithstanding anything in this Article VI to the contrary, all Lots owned by Declarant and held for sale shall be assessed at an amount equal to the pro rata monthly maintenance expense less reserve payments but in no event more than ten (10%) percent of the annual assessments paid by owners, such assessment to begin the first day of the month following the substantial completion by Declarant of improvements on any such lots. The determination of substantial completion shall be solely the responsibility of the Architectural Committee.

(f) Lots Owned by a Licensed Builder. Notwithstanding anything in this Article VI to the contrary, any lot conveyed to a Builder licensed by the south Carolina Residential Home Builders Commission shall not be assessed any amount unless the

Residence constructed thereon becomes such Builder's primary personal residence.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized Above, the Association may levy, in 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, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of Members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which, setting forth the purpose of the meeting, shall be sent to all Members not less than ten (10) days nor more than thirty (30) days in advance of the meeting.

Section 5. Notice and Quorum for Any Action Authorized Under Section 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4 shall be sent to all members not less than ten (10) 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 (50%) percent of all 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 held within sixty (60) days following the preceding meeting.

Section 6. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all lots, on a per lot basis, and may be collected on a monthly basis.

Section 7. Date of Commencement of Annual Assessments; Due Date. The annual assessments provided for herein shall be

Paid in one single installment on the first day of March each year. The obligation for such shall commence as of the Conveyance of the legal title to said Lot by Declarant to such Purchaser, and, as to the Declarant, as provided in Article V, Section 3 (e) herein. The Initial annual Assessment or annual assessments in any year after December 31, 1989, shall be prorated according to the number of remaining months in the then-current calendar year after the date legal title is conveyed by Declarant. The Board of Directors shall fix the amount of the annual assessment against each lot at least sixty (60) days in advance of each annual assessment payment date. Written notice

of the annual assessment shall be sent to every owner subject thereto. The association, upon demand at any time, shall furnish a certificate in writing signed by an officer of the Association setting forth whether the assessments on a specified lot have been paid. A properly executed certificate of the Association as to the status of assessments on a lot is binding upon the Association as of the date of its issuance.

Section 8. Effect of Nonpayment of Assessments; Remedies of the Association. Any assessment or portion thereof which are not paid when due shall be delinquent. If the assessment or portion thereof is not paid within thirty (30) days after the due date, the same shall bear interest from the date of delinquency at the maximum rate of interest which is allowed to be charged in accordance with the usury laws of South Carolina for such accounts. The Association may bring an action against.

the Owner personally obligated to pay the same, or foreclose the lien against the property, and, in either event, interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment. The Association may also elect to suspend the privileges of any non-paying member to the use and enjoyment of any of the Common Area, which remedy may be exercised in addition to, and not in lieu of, the right to initiate such action as herein provided. No Owner may waive or otherwise escape liability for the assessment provided for herein

by non-use of the Common Area of abandonment of his Lot.

Section 9. Subordination of the Lien to Mortgages.

The lien of the assessments provided for herein on any Lot shall be subordinate to the lien of any first mortgage on such Lot. Sale or transfer of any Lot shall not affect the assessment lien; however, the sale or transfer of any lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to the payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 10. Exempt Property. Any portion of the

Property dedicated to, and accepted by, a local public authority and all properties owned by a charitable or non-profit organization exempt from taxation by the laws of the State of south Carolina shall be exempt from the assessments created

herein, except no land or improvements devoted to dwelling use shall be exempt from said assessments.

Section 1. An Architectural Committee is hereby established by the Declarant for the express purpose of being responsible for insuring compliance with the provisions of this Article VI or any other matter which Declarant may assign to it. The initial members shall be Sam M. Hunter, III, and either Herb G. King or David M. Strong and a person designated by these first-mentioned members. In the event either of these individuals should, for any reason, cease to be able to perform the duties assigned to this Committee, or be removed by a majority vote of the members of the Architectural Committee, a substitute shall be elected by the other members.

Section 2. No building, fence, wall, mail box, antenna, clothesline, play house or animal pens and/or cages or other structure shall be commenced, erected, or maintained upon the Property, nor shall any exterior addition to or change or alteration thereon be made until the plans and specifications showing the nature, kind, shape, height, materials, and location of the said improvements or alterations shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Architectural Committee. In the event that the said Committee fails to approve or disapprove such design and location

within thirty (30) days after said plans and specifications have been submitted to its members, approval will not be required and this Article will be deemed to have been fully complied with; provided, that the plans and specifications required to be submitted shall not be deemed to have been received if they

contain erroneous data or fail to present accurate information upon which the Board or its committee can arrive at a decision. Any mail box which is constructed in accordance with the design specifications shown on Exhibit C, attached hereto, shall not require approval of the Architectural Committee prior to installation.

Section 3. Minimum Areas of Buildings/Residences. Any Building or Residence constructed shall not contain less than the Following square feet of heated floor space, excluding porches, Decks, garages, basements and breezeways:

- (a) 2,350 square feet for a one (1) or one and one-Half (1 ½) story Building or Residence; and
- (b) 1,550 square feet for a Building or Residence having more than one and one-half (1 ½) stories.

Section 4. The said Committee shall have the right, at their election, to enter upon any lot during construction, erection or installation of improvements or alterations to inspect the work being undertaken in order to determine that such work is being performed in conformity with the approved plans and specifications and in a good and workmanlike manner, utilizing approved methods and good quality materials.

USE RESTRICTIONS

Section 1. Rules and Regulations. The Board of Directors of the Association shall have the power to formulate, publish, and enforce reasonable rules and regulations concerning the use and enjoyment of these portions of Lots which may be reserved by the Declarant for use of all Owners and the Common Area. Such rules and regulations, along with all policy resolutions and policy actions taken by the Board of Directors, shall be recorded in a Book of Resolutions, which shall be maintained in a place convenient to the Owners and available to them for inspection during normal business hours.

Section 2. Use of Property. Each building, the residences therein, 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) All buildings and the Common Area and facilities shall be used for residential and related common purposes. Each Lot may not be subdivided and any building, as defined herein, shall only be used as a single-family residence and for no other purpose except that the Declarant may use one or major residences or any building erected upon the Common Area for officers and/or model residences for sales purposes. Additionally, Declarant shall be entitled to use all or any portion of the heated floor space in the club house facility as a sales and development office until the earlier of (i) the date that 95% of all lots

shall have been conveyed or (ii) the eighth (8th) anniversary of the date hereof. Every Residence shall have an attached one or two car garage.

(b) Declarant hereby expressly reserves (the "Reservation"), for itself and for its successors and assigns, the express right to dedicate, at its sole option, a portion, or portions, of the Property to multi-family uses and, to the extent necessary to accomplish such intent, change or modify the covenants, conditions and restrictions which shall be made to apply to such multi-family property.

(c) Nothing shall be kept and no activity shall be carried on in any building or residence or on the Common Area 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 on the Common Area and 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.

(d) 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.

(e) Nothing shall be done in or to any residence or in, to, or upon any of the Common Area and the facilities this 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.

(f) No industry, business, trade, occupation, or profession of any kind, whether commercial or otherwise, shall be conducted, maintained, or permitted on any part of the property, except that the Declarant or its agents may use any unsold residence or lease any6 such residence of sales or display purposes, to include conduction promotional campaigns, “Open House” programs and other sales/marketing events.

(g) No owner shall display, or cause or allow to be displayed, to public view any sign, placard, poster, billboard, or identifying name or number upon any residence, building or any portion of the common area and facilities, except as may be allowed by the Association pursuant to its by-laws, provided, however, that the Declarant and any mortgagee who may become the owner of any unit, or their respective agents, may place “For Sale” signs, not larger than 24” x36” on any unoccupied residence.

(h) No person shall undertake, cause or allow any alteration or construction in or upon any portion of the Common Area and facilities except at the direction of and with the express written consent of the Association.

(i) The Common Area and facilities shall be used only for the purposes for which they are intended and reasonably suited and which are incident to the use and occupancy of the residence, subject to any rules or regulations that may be adopted by the Association pursuant to its By-Laws.

(j) Any camper, boat, trailer, vehicle, or items not in daily use placed upon any lot by the owner must be stored at all times behind the closed doors of the garage attached to such Owner's residence.

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

Section 3. Quite Enjoyment. No obnoxious or offensive activity 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.

ARTICLE VIII.

EASEMENTS

Section 1. Walks, Drives, Parking Areas, and Utilities. All of the property, including Lots and Common Area, 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, invitees, tenants or lessees for all proper and Norman 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 the property to this Declaration by the Declarant or its predecessors in title and for the 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, and 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.

Section 2. Encroachments. All Lots and the Common Area shall be subject to easements for the encroachment of initial improvements constructed on adjacent Lots by the Declarant to the extent that such initial improvement actually encroach, including, without limitation, such items as driveways, and walls, if any encroachment shall occur subsequent to subjecting the Property to this Declaration as a result of settling or shifting of any building or as a result of any

permissible repair, construction, reconstruction, or alteration, there is hereby created and shall be a valid easement for such encroachment and for the maintenance of the same. Every Lot shall be subject to an easement for entry and encroachment by the Declarant for a period not to exceed eighteen (18) months following conveyance of a Lot to an Owner for the purpose of correcting any problems that may arise regarding grading and drainage. The Declarant, upon making entry for such purpose, shall restore the affected Lot or Lots to as near the original condition as practicable.

Section 3. Emergencies. Every lot and residence shall be subject to an easement for entry by the Association for the purpose of correcting, repairing, or alleviating any emergency condition which arises upon any Lot or with in any residence and that endangers any building or portion of the limited Common Area.

ARTICLE IX.

COVENANTS OF OWNER TO KEEP UNITS 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 properties, 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:

(1) 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/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.

(2) The Association shall apply the full amount of any insurance proceeds to the rebuilding or repair of any said improvement.

(3) Each Owner shall keep his or her Residence in good repair, except for repairs required of the Association.

(4) 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 V.

The lien for assessments for insurance premiums shall be subordinate to the lien of any first mortgage in the same manner provided for annual and special assessments.

(5) Any Owner shall, at his own expense, carry any adequate hazard and homeowners insurance policies insuring separate residences on his lot.

(6) In the event of damage or destruction by fire or other casualty to any property covered by insurance payable to the Association as trustee from the homeowners, 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 conditions 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 signature of at least one-third (1/3) of the members of the Board of Directors, or by an agent duly authorized by the Board of Directors. The Board of Directors shall obtain bids from at least two reputable contractors, and then may negotiate with any such contractor, who may be required to provide a full performance bond for the repair, reconstruction or rebuilding of such building or buildings.

(7) 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 within 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 a s good condition as prior to damage or destruction by fire or other casualty covered by insurance.

(8) Retention by Owner. If a dwelling is not habitable by reason of damage, and the Owner gives notice of his election to repair or reconstruct the dwelling, the obligation of

the Owner to pay annual assessment installments shall be suspended either for a period of ninety (90) days or until the dwelling is restored to a habitable condition, whichever shall first occur. In the event 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 Association may cause the debris to be removed, and the cost of removal shall constitute a lien upon the dwelling until paid by the Owner, unless the dwelling is thereafter acquired by the Association.

(9) Application of Declaration and By-Laws. 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.

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

(a) Name the Association as an obligee.

(b) Be written in an amount equal to at least 150% of the estimated annual operation expenses of the Association, including reserves.

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

ARTICLE X

GENERAL PROVISIONS

Section 1. Enforcement. The Association or any Owner, shall have the right to enforce, by an proceeding at law or in equity, all restrictions, condition, covenants, reservation, liens, and charges now or hereafter imposed by the provisions of the Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Severability. Invalidation of any one of these 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. Amendment. The covenants, conditions, and restrictions of this Declaration shall run with the land and bind the land for a term of thirty (30) 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 thirty (30) year period by an instrument signed by the Owners of not less than seventy-five (75%) percent of the Lots, and thereafter by an instrument signed by the owners of not less than fifty (51%)

percent of the Lots; provided, however, that the Board of Directors may amend this Declaration, without the consent of Owners, to correct any obvious error or inconsistency in drafting, typing, or reproduction. All amendments shall be certified as an official act of the Association and shall forthwith be recorded in the Office of the Clerk of Court for Greenville County, South Carolina. All amendments shall become effective upon recordation.

Section 4. lease of Residence. No residence shall be leased for transient or hotel purpose, nor may any Owner lease less than the entire unit. Any lease must be in writing and for minimum of 6 months duration, and provide that the terms of the lease and the occupancy of the unit shall be subject in all respects to the provisions of the Declaration of Covenants, Conditions and Restrictions and By-Laws of the Half Mile Lake Association, Inc. and any failure by any lessee to comply with the terms of such documents shall be a default under the lease.

Section 5. Conflicts. In the event of any irreconcilable conflict between the Declaration and the By-Laws of the Association, the provisions of these Declarations shall control. In the event of any irreconcilable conflict between this Declaration or the By-Laws of the Association and the Articles of Incorporation of the Association, the provisions of the Articles of the Incorporation shall control.

ARTICLE XI.

RIGHTS OF FIRST MORTGAGAGEES

The following provisions, in additions to provisions set forth elsewhere in this Declaration, shall be applicable to the holders of first mortgages upon the individual dwellings subject to this Declaration and any amendments thereto.

Section 1. This Declaration and other constituent documents created a planned subdivision.

Section 2. Any first mortgagee who obtains title to a residence pursuant to the remedies provided in the mortgage or foreclosure of the mortgage will not be liable for such unit's unpaid dues or charges which accrue prior to the acquisition of title to such unit by the mortgagee.

Section 3. Unless at least two-thirds (2/3) of the first mortgagees, provided they request the right an inform the Association of their addresses in writing (based upon one vote for each first mortgage owned) or Owners (other than the sponsor, developer or builder) of the individual Lots have given their prior written approval, the homeowners association, corporation or trust shall not be entitled to:

(a) by act or omission seek to abandon, partition, subdivide, encumber, sell or transfer the common property owned, directly or indirectly, by such homeowners association,

corporation or trust for the benefit of the Lots (the granting of easements for public utilities or for other public purposes consistent with the intended use of such common property within

the Common Area shall not be deemed a transfer within the meaning of this case;

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

(c) by act or omission change, waive or abandon any scheme of regulations, or enforcement thereof, pertaining to the architectural design or the exterior appearance of units, the maintenance of the common property or common walls, fences and driveways, or the upkeep of lawns and plantings in the Common Area.

(d) use hazard insurance proceeds for losses to any common property for other than the repair, replacement or reconstruction of such common property.

Section 4. First mortgagees of Lots may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against any common property and may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy, for such common property and first mortgagees making such payments shall be owed immediate reimbursement therefore from the homeowners association, corporation, or trust. Entitlement to such reimbursement is hereby reelected in this Declaration as an agreement in favor of all first mortgagees of units in said development dully executed by the homeowners association,

corporation or trust, and an original or certified copy of such agreement is possessed by the Seller.

Section 5. No provision of the subdivision documents give a Lot Owner, or any other party, priority over any rights of the first mortgagee of a Lot pursuant to its mortgage in the case of a distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of common property.

Section 6. A first mortgagee, upon request, is entitled to written notification from the homeowners association of any default in the performance by the individual Borrower of any obligation under the documents which is not cured within sixty (60) days.

Section 7. Any agreement for professional management of the subdivision, or any other contract providing for services of the developer, sponsor, or builder, may not exceed three (3) years. Any such agreement must provide for termination by either party without cause and without payment of a termination fee on ninety (90) days or less written notice.

INWITNESS WHEREOF, the Declarant has caused this instrument to be executed this 27th day of April, 1988.

EXHIBIT A

All that certain piece, parcel or tract of land located, lying and being in the County of Greenville, State of South Carolina, containing 151.52 acres, more or less, as shown on survey entitled "Property Survey for C. Rivers Stone" dated October 18, 1987, prepared by Arbor Engineering, Inc., RLS, recorded in the RMC Office for Greenville County in Plat Book 15-9 at page 49, reference to which is hereby craved for the metes and bounds description thereof.

EXHIBIT B
TO DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS FOR
HALF MILE LAKE SUBDIVISION

All those numbered lots, being 20 in number, located, lying and being in the County of Greenville, State of South Carolina, as shown on plat entitled "Half Mile Lake Phase IA" dated April 18, 1988, revised April 22, 1988, prepared by Clifford C. Jones, RLS, recorded in the RMC Office for Greenville County in Plat Book 15 at page 49, reference to which is hereby craved for a more complete and accurate description.

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Recorded APR 28 1988 4:34 P.M.