

STATE OF SOUTH CAROLINA)
COUNTY OF LEXINGTON)

DECLARATION OF COVENANTS,
CONDITIONS, RESTRICTIONS,
EASEMENTS, CHARGES, AND LIENS
FOR LONG'S POND ESTATES,
PHASE ONE 00.65

THIS Declaration of Covenants, Conditions, Restrictions, Easements, Charges and Liens for **LONG'S POND ESTATES, PHASE ONE** is made February 21, 2000, by THE MUNGO COMPANY, INC., a corporation organized and existing under the laws of the State of South Carolina, (any defined terms used herein shall have the meaning set out in the Article I hereafter):

RECITALS:

1. The Mungo Company, Inc., is the owner of the real property described in Schedule A of this Declaration, and desires to develop thereon a Community together which may include common lands and facilities, for the sole use and benefit of the Owner of each Lot to be located in such Community.
2. The Mungo Company, Inc., has or may from time to time acquire additional real property, which it may desire to develop as additional phases of such Community, which the Developer may incorporate as additional phases of the Community and bring same under this Declaration.
3. The Mungo Company, Inc., is desirous of maintaining design criteria, location, Plans and construction specifications, and other controls to assure the integrity of the Community. Each purchaser of a Lot or Dwelling in LONG'S POND ESTATES will be required to maintain, modify, change, and construct the Dwelling and Structure in accordance with the design criteria contained herein and established by the Architectural Control Authority, as hereinafter provided.
4. The Mungo Company, Inc., desires to provide for the preservation of the value and assigned as further described herein, the powers of maintaining and administering any Common Area, of administering and enforcing the Declaration; of establishing and amending the reasonable rules, regulations and policies for the proper management of the Association and for the promotion of the health, safety and welfare of the residents of the Community; and of levying, collecting and disbursing the Assessments and charges hereinafter created.

5. Omitted
6. Omitted
7. The Mungo Company, Inc. has caused or will cause the Association to be incorporated under the laws of the State of South Carolina, as a nonprofit corporation, for the purpose of exercising the aforesaid functions, among others.

THIS AGREEMENT IS SUBJECT TO BINDING ARBITRATION PURSUANT TO THE SOUTH CAROLINA UNIFORM ARBITRATION OACT (S.C. CODE ANN. § 15-48 ET SEQ., AS AMENDED

NOW, THEREFORE, The Mungo Company, Inc. declares that the real property described in Schedule A, annexed hereto and forming a part hereof, and any additions thereto which the Developer may incorporate from time to time in the Community is and shall be held, transferred, sold, conveyed, and occupied subject to the covenants, restrictions, easements, charges, and liens hereinafter set forth.

ARTICLE I
DEFINITIONS

Section 1. DEFINITIONS. The following capitalized words when used in this Declaration or any Supplemental Declaration (unless the context shall prohibit) shall have the following meaning:

- (A) "ADDITIONAL ASSOCIATIONS" when and if created, shall mean and refer to any other separate association owning land within The Property, or being given authority to control, manage or maintain portions of The Property owned or maintained by the Association.
- (B) "ARCHETICTURAL CONTROL AUTHORITY" shall mean and refer to any appointee of the Developer, a board appointed by the Developer, while the Developer retains all or part of the rights and authority for architectural control in the Community, and after transfer of these rights to the Association by the Developer, the Board of Directors of the Association or an architectural control board appointed by the Board of Directors of the Association.

- (C) “ARCHITECTURAL GUIDELINES” shall mean and refer the set of policies, rules and procedures promulgated and /or amended by the Developer or the Architectural Control Authority, When Empowered, which shall act as a guide for architectural control an for the architectural review process.
- (D) “ASSESSMENTS” shall have the meaning specified in Article VII, Section 1.
- (E) “ASSOCIATION” shall mean and refer to the LONG’S POND ESTATE HOMEOWNERS’ ASSOCIATION, INC., its successor and assigns.
- (F) “BOARD OF DIRECTORS” shall mean and refer to the Members of the Board of Directors of the Association whether elected or appointed.
- (G) “BY-LAWS” shall mean and refer to the by-laws of the Association.
- (H) “COMMON AREA” shall mean and refer to those areas of land shown as “Common Area,” drainage or other easements on any recorded subdivision map of The Property or so designated in any conveyance to the Association by the Developer and any and all entrance signs, lights, sprinklers, shrubs used, owned or maintained by the Association or the Developer for benefit of the Community, whether or not located within the street right-of-ways which have been dedicated to a governmental agency or a Lot. Such areas are intended to be devoted to the common use and enjoyment of Members of the Association as herein defined, subject to the reasonable rules, regulations and policies established and amended by the Developer or the Board of Directors of the Association, When Empowered, from time to time and are not dedicated for use by the general public. NO REPRESENTATION FROM ANY PARTY OR SALES AGENT, INCLUDING THOSE OF THE DEVELOPER, OR OTHER ENTITY AS TO THE EXISTENCE OF A COMMON AREA, SIZE, SHAPE, OR COMPOSITION OF THE COMMON AREA, OTHER THAN THOSE PROVIDED HEREIN OR PROVIDED IN WRITING BY THE DEVELOPER, SHALL BE RELIED UPON, NOR SHALL IT IN ANY WAY REQUIRE THE DEVELOPER TO COMPLY WITH THAT

REPRESENTATION. The Community may not contain Common Area, provisions in this Declaration, referencing Common Area does not mean there are or will be Common Area in the Community.

- (I) "COMMUNITY" shall mean and refer to The Property.
- (J) "DECLARATION" shall mean and refer to this Declaration of Covenants, Conditions, Restrictions, Easements, Charges, and Liens, any amendment or modification thereof, and supplements that annex additional land.
- (K) "DEVELOPER" shall mean and refer to THE MUNGO COMPANY, INC., a corporation organized and existing under and pursuant to the laws of the State of South Carolina, its successors and assigns.
- (L) "DWELLINGS" shall mean and refer to a dwelling unit.
- (M) Omitted
- (N) "LOT" shall mean and refer to any plot of land with such improvements as may be erected thereon, shown on any recorded subdivision map of The Property, but shall not include Common Area as herein defined or streets.
- (O) "MASTER ASSOCIATION" when and if created, shall mean and refer to any incorporated or unincorporated association to which or from which is delegated specific authority, the Members of which are common to the Association, Additional Associations or Sub-Associations to which or from which the authority is granted.
- (P) "MASTER PLAN" shall mean and refer to the drawing, sketch or map that represents the conceptual land plan for the future development of the Community. Since the concept of the future development of the undeveloped portions of the Community, including, but not limited to the Lots, streets and the Common Area are subject to continuing revision and change at the discretion of the Developer, present and future references to the "Master Plan" shall be references to the attest revision there of. In addition, no implied reciprocal covenants or obligation to develop

shall arise with respect to lands that have been retained by the Developer for future development. THE DEVELOPER SHALL NOT BE BOUND BY ANY MASTER PLAN, USE OR RESTRICTION OF USE SHOWN ON ANY MASTER PLAN, AND MAY IN ITS SOLE DISCRETION AT ANY TIME CHANGE OR REVISE SAID MASTER PLAN, DEVELOP OR NOT DEVELOP THE REMAINING UNDERDEVELOPED PROPERTY OR COMMON AREA OR AMENITIES SHOWN ON ANY MASTER PLAN.

- (Q) "MEMBER" shall mean and refer to any Owner, as provided in Article IV hereof.
- (R) "OWNER" shall mean and refer to the record owner or owners, whether one (1) or more persons or entities of the fee simple title of any of the Lots, but shall not mean or refer to any mortgage or subsequent holder of a mortgage unless and until such mortgage or holder has acquired title to the Lot pursuant to foreclosure or any proceedings in lieu of the foreclosure. Said term "Owner" shall also refer to the heirs, successors, and assigns of any Owner.
- (S) "PLANS" shall mean and refer to and encompass the plans, specifications, elevations and exterior designs of any Structure built or to be built on any Lot, or Common Area, as well as a site plan showing building set backs and locations of all Structures within the Lot or Common Area.
- (T) "REGULATIONS" shall mean and refer to Architectural Guidelines and other guidelines, rules, regulations, policies, and procedures.
- (U) "STRUCTURE" shall mean and refer to any thing, object, tree or landscaping, the placement, size, shape, color, height and quality to which upon any Lot or Common Area may affect the appearance of such Lot or Common Area, including by way of illustration and not limitation, any home, building or part thereof, garage, porch, shed, greenhouse, or bathhouse, coop or cage, covered or uncovered patio, playgrounds, playground equipment, tree houses and structures or yard art, statuary, basketball goals, or other temporary or permanent sports equipment, swimming pool, fence, curbing, paving, driveways, wall or hedge, radio, television,

wireless cable, or video antenna, satellite dishes, landscaping, well, septic system, sign, appurtenance, or signboard, whether temporary or permanent; and may excavation, fill, ditch, diversion dam or other thing or device which affects or alters the natural flow of waters from, through, under or across any Lot or Common Area of more than six (6) inches.

- (V) “SUB-ASSOCIATIONS” when and if created, shall mean and refer to any other Additional Associations which own land within The Property, all of the Members of which area Members of the Association and which operates under authority granted by the Developer or the Association.

- (W) “THE PROPERTY” shall mean and refer to all property, including but not limited to, the Lots, streets and Common Area, subjected to this Declaration, which are described in Schedule A, together with any additional land that may be developed pursuant hereto and annexed or incorporated in The Property by amendments or supplemental Declarations.

- (X) “WHEN EMPOWERED” shall mean when the Developer has transferred the right of performing some function to the Association’s Board of Directors or another entity by the recordation of a document in the office of The Register of Deeds for the county in which The Property is located, or by giving written notice to the Association at the Association’s address of record, or to all Owners attending a duly called meeting for that purpose. The transfer of all functions to the Association shall automatically occur when one hundred (100%) percent of the Dwellings permitted by the Master Plan have certificates of occupancy issued thereon and have been conveyed to Owners other than builders holding title for purposes of development and sale or when the Class “B” Membership terminates, whichever occurs first.

ARTICLE II USES OF PROPERTY

Section 1. RESIDENTIAL USE OF PROPERTY. Unless otherwise designated in a supplemental Declaration filed by the Developer for additional land annexed to the Community, all Lots shall be used for single-family residential purposes only, and no commercial, business or business activity shall be carried on or upon any Lot at any time,

except with the written approval of the Developer, its designee(s), or the Association, When Empowered, provided however, that nothing herein shall prevent the Developer or any builder of homes in the Community approved by the Developer from using any Lot owned by the Developer or such builder of homes for the purpose of carrying on business related to the community, improvement and sale of Lots or Dwellings in the Community or as model homes; and provided, further that, Dwelling located on any of the Lots as approved in writing, by the Developer, its designee(s), or the Association, When Empowered and so long as the "home occupation" Complies with any and all conditions of such approval.

Section 2. STRUCTURE. EXCEPT AS PROHIBITED BY LAW INCLUDING 47 CFR/4000 (WHICH LIMITS, BUT DOES NOT PROHIBIT, CONTROL BY THE ASSOCIATION OF THE SIZE AND LOCATION OF STATELITE DISHES), NO STRUCTURE SHALL BE ERECTED, STORED, PLACED, REPLACED OR ALTERED ON ANY LOT UNLESS APPROVED BY THE DEVELOPER OR ARCHITECTURAL CONTROL AUTHORITY, WHEN EMPOWERED. The Developer and the Architectural Control Authority, When Empowered, shall have complete discretion to approve or disapprove any Structure. The Developer and the Architectural Control Authority, When Empowered, may issue from time to time Architectural Guidelines and Regulations to assist it in the approving of Structures and may change such guidelines at any time and from time to time without notice to the Owners. (For definition of Structure, see Article I, Section 1(U).)

Section 3. SUBDIVISION OF LOTS OR COMBINATION OF LOTS. One or more Lots or parts thereof may be subdivided or combines only if approved by the Architectural Control Authority.

Section 4. LIVESTOCK AND PETS. No animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot, except that dogs, cats or other small household pets may be kept, subject to applicable leash laws or policies established and amended by the Developer or by the Board of Directors of the Association, When Empowered, from time to time, provided that they are not kept, bred or maintained for any commercial purpose. Such household pets must not constitute a nuisance as determined by the Board of Directors in its sole discretion within the Community or cause unsanitary conditions within the Community, and no animal kept outside the Dwelling shall be kept in a manner which disturbs the quiet enjoyment of the Community by any other Owner. While not in a fully confined area, all pets shall be restrained by leashes and no pet shall enter upon any Lot without the express permission of that Owner or on the Common Area without express permission of the Developer, or the Association, When Empowered. The pet owner will be responsible for clean up and removal of fecal matter deposited by such pet and shall be liable for, indemnify and hold harmless the Owner, the Developer, the Association from any loss, cost, damage or expense incurred by such Owner, the Developer, the Association as a result of any violation of this provision. (See Article X for the Association's Remedies for Violation.)

Section 5. OFFENSIVE ACTIVITIES. No. noxious, offensive or illegal activities as determined by the Developer or the Board of Directors, When Empowered, shall be carried on upon any Lot, Common Area, street nor shall anything be done thereon which is or may become an annoyance or nuisance to the Owner of other Lots in the Community. (See Article X for the Association's Remedies for Violation.)

Section 6. TRAILERS, TRUCKS, BUSES, BOATS, PARKING, ETC. No buses, trailers or mobile homes, motorcycles, boats, boat trailers, all terrain vehicles, go-carts, campers, vans or vehicles on blocks, unlicensed vehicles, or like vehicles shall be kept, stored, used, or parked overnight either on any street within the Community, in the Common Area or on any Lot, without the approval of the Developer or the Association, When Empowered. No unsafe parking shall be allowed on any streets in the Community. The Developer or the Association, When Empowered may in its sole discretion determine what is unsafe and issue regulations to control on and off street parking. (See Article X for the Association's Remedies for Violation.)

Section 7. EXCAVATIONS OR CHANGING ELEVATIONS. No owner shall excavate or extract earth for any business or commercial purpose.

Section 8. SEWAGE SYSTEM. Sewage disposal shall be through the public or private system or by septic tank approved by appropriate State and local agencies. If there is a public or private system serving the Community, the Owner shall be obligated to use the system unless authorized otherwise by the Developer.

Section 9. WATER SYSTEM. Water shall be supplied through a public or private system or any other system or well approved by appropriate State and local agencies. If there is unless authorized otherwise by the Developer.

Section 10 UTILITY FACILITIES. The Developer reserves the right to approve the necessary construction, installation and maintenance of utility facilities, including but not limited to telephone, cable T.V., electricity, gas, water and sewage systems, which may be variance with these restrictions.

Section 11. WAIVER OF SETBACKS, BUILDING LINES AND BUILDING REQUIREMENTS. The Architectural Control Authority, may waive violations of the setbacks and building lines shown on any plat of the Community. Such waiver shall be in writing and recorded by the Owner in the County Register of Deeds. A document executed by the Architectural Control Authority shall be, when recorded, conclusive evidence that the requirements hereof have been complied with. The Architectural Control Authority may also, from time to time as they see fit, eliminate violations of setbacks and boundary lines by amending the Plat. Nothing contained herein shall be deemed to allow the Developer or the Architectural Control Authority to waive violations, which must be waived by an appropriate governmental authority without the Owner obtaining a waiver from such authority.

Section 12. EASEMENT FOR UTILITIES AND COMMON FACILITIES. The Developer reserves unto itself, its permittees, its successors and assigns, a perpetual, alienable and reasonable easement and right ingress and egress, over, upon, across and under each Lot and all Common Area, if any, as are necessary or convenient for the erection, maintenance, installation, and use of electrical, irrigation systems, landscape, telephone wires, cables, conduits, sewers, waters mains, and other suitable equipment, for the conveyance and use of electricity, telephone equipment, gas, sewer, water or other public convenience or utilities including easements for privately owned televisions and other communications cable and equipment, and the Developer may further cut drainways for surface water when such action may appear by the Developer to be necessary in order to maintain reasonable standards of health, safety, and appearance, or to correct deviations from approved development drainage Plans provided such easement shall not encroach on or cross under existing buildings or Dwellings on the Lot or Common Area. The Developer further reserves an easement on behalf of itself, its permittees, its successors and assigns, over six (6) feet long each side Lot line of each Lot for the purpose of construction or maintenance of utilities, as well as drainage installation or maintenance, and over the rear twelve feet (12) of each Lot line of each Lot for the purpose of construction or maintenance of utilities, as well as drainage installation or maintenance, and over the front ten feet (10) of each Lot and over such other area of each Lot as is shown on recorded plats of the drainage installations, drainage rights of ways, and maintenance thereof, as well as rights expressly include the right to cut any trees, bushes, or shrubbery, make any grading of soil, or to take any other similar action reasonably necessary to provide economical and safe utility or other installation and to maintain reasonable standards of health, safety and appearance. It further reserves the right to locate signs, entrances, landscaping, sprinklers and other improvements related to the Common Area or common facilities of the Community including, but not limited to, entrances, wells, pumping stations, and tanks within residential areas on any walkway, or any residential Lot designated for such use on applicable plat of the residential subdivision, or locate same on the adjacent Lot with the permission of the Owner of such adjacent Lot. Such right may be exercised by the licensee of the Developer, but this reservation shall not be considered an obligation of the Developer to provide or maintain any such utility service. No structures, including, but not limited to, walls, fences, paving or planting shall be erected upon any part of The Property which will interfere with the rights of ingress and egress provided for in this paragraph and no Owner shall take any action to prevent the Association, the Developer or any public or private utility, or any of their agents, contractors or employees from utilizing the easements reserved herein. Neither the Developer or the Architectural Control Authority shall bear responsibility for the repair or replacement of any landscaping planted, special grading established, or Structure constructed within a proscribed easement, whether planted or constructed intentionally or inadvertently and whether approved or not by the Developer or the Architectural Authority. All such easements and rights shall be shown and designated on the recorded plats of the Community. The Developer, its successors and assigns, expressly reserves the right to alter any easement described in this paragraph. Such right to alter shall be limited to such extent as will allow the Owner of the Lot and Structure to convey marketable title. The rights and easements conferred and reserved herein shall be appurtenant to any property whether or not subject to this Declaration and shall be an

easement in gross of a commercial nature for the benefit of the Developer, its permittees, successors and assigns to serve any property whether or not subject to this Declaration.

Section 13. UNDERBRUCH. FINISHED YARDS. ETC. In the event that the Owner of any residential Lot permits any underbrush, weeds, other unsightly plants to grow upon any Lot, or fails to maintain landscaping and grass in a manner in keeping with the Declaration, as determined by the Developer or an Architectural Control Authority, When Empowered, from time to time as they see fit, the Developer or the Architectural Control Authority, When Empowered, may issue a compliance demand requiring the Owner of the residential Lot to bring the Lot into keeping with the Declaration, as determined by the Developer or the Architectural Control Authority, When Empowered, if the Owner of the residential Lot fails to comply within the time required by the notice, the Developer or the Association may enter upon the Lot, bring the Lot into keeping with the Community, as provided above, and levy against the Owner of the Lot an Assessment for Non-Compliance and such Assessment shall be a lien upon the Lot. Any entry by the Association or the Developer or their agents, employees, officers or contractors under the terms of this Section shall not be deemed a trespass, and an easement in gross of a commercial nature is reserved to the Developer and to the Association for the purpose of entry onto any residential Lot for the purpose of enforcing this paragraph. This provision shall not be construed as an obligation on the part of the Developer, the Association or their assigns to provide garbage or trash removal services. As provided herein, these rights may be assigned by the Developer to the Association, or other appropriate entities. The Owner shall hold harmless the Developer, its agents and employees, officers and contractors and the Board of Directors or the Architectural Control Authority, When Empowered, from any liability incurred arising out of correcting the Owner's breach of this Section.

Section 14. COMMON AREA MAINTENANCE. The Association shall maintain all Common Area Structures thereon and any other land or structure within the Community designated by the Developer or the Board of Directors, When Empowered, in a good state of repair and in a clean and orderly manner, free of underbrush, weeds, and other unsightly conditions, and if the Association fails to do so, in the sole determination of the Developer, until one hundred percent (100%) of the Dwellings permitted by the Master Plan have certification of occupancy issued thereunder and have been conveyed to Owners other than builders holding title for purposes of development and sale or when the Class "B" Membership terminates, whichever is first. The Developer may issue a written notice requiring the Association to bring the Common Area or Structures into keeping with the Declaration, as determined by the Developer, at its sole discretion. If the Association fails to comply within the time set out in such notice, the Developer may enter upon the Common Area and Structures thereon into keeping with the Community, as provided above, and charge the Association for all of the costs thereof, including the costs of collection and, such cost shall become a lien upon the Common Area. Any entry by the Developer under the terms of this Section shall not be deemed a trespass, and an easement in gross of a commercial nature is reserved to the Developer for the purpose of entry onto the Common Area for the purpose of enforcing this paragraph. This provision shall not be construed as an obligation on the part of the Developer or its assigns to

provide garbage or trash removal services. As provided herein, these rights may be assigned by the Developer. The Association shall hold harmless the Developer, its agents and employees, from any liability arising out of correcting the Association's breach of this Section.

ARTICLE III CONSTRUCTION IN ACCORDANCE WITH PLANS

Section 1. General. All Structure of every type and description shall be construed, stored, placed or erected, maintained, replaced, changed, modified and improved within the Community in accordance with this Declaration. All Plans shall be approved by the Architectural Control Authority and other appropriate or applicable governmental entity prior to the commencement of any excavation, construction, reconstruction, repair, change, modification or replacement or any attempt to make any exterior change to a Structure. No construction, reconstruction, excavation, repair, change, modification shall vary from the approved Plans.

ARTICLE IV MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

Section 1. MEMBERSHIP. It is mandatory that every person or entity who is an Owner of any Lot shall be a Member of the Association. Membership shall be mandatory to and may not be separated from ownership of any Lot.

Section 2. VOTING RIGHTS. The Association shall have two (2) classes of voting Membership.

- (a) CLASS ?A?. Class ?A? Members shall be all Owners excepting the Developer. Class ?A? Members shall be entitled to one (1) vote for each Lot they own. When more than one (1) person holds such an interest or interests in any Lot, the entire Vote attributable to such Lot shall be exercised by one (1) individual who is duly authorized in writing by all of the Owners of that Lot. In no event shall more than one (1) vote or partial vote be cast with respect to any responsibility of those Owners to provide the Developer or the Association with written notification, with the signatures of all those persons owning an interest in the Lot affixed, of the name and mailing address of that person authorized to receive notification from the Association and to cast said vote.
- (b) CLASS ?B?. The sole Class ?B? Member shall be the Developer. The Class ?B? Member shall be entitled to cast the greater of four (4) votes for each Lot for which it holds title or one more vote than the total votes of the Class ?A? Members. All Owners shall be Class ?A? Members. Class ?B? Membership shall end when one hundred (100%) percent of the Dwellings permitted by the Master Plan have certificates of occupancy issued thereon and have been conveyed to Owners other than builders holding title for purposes of

development and sale, or at such times as the Developer voluntarily relinquishes these voting rights, provided, however, that the one hundred (100%) percent may be reduced at the option of the Developer.

ARTICLE V PROPERTY RIGHTS IN THE COMMON AREA

Section 1. MEMBER'S EASEMENT OF ENJOYMENT. Subject to the provisions of Section 3 of this Article V, the right of the Association to suspend the use of the Common Area as set out in Article X, and the rules, regulations and policies established and amended by the Board of Directors of the Association from time to time, every Member shall have a right and easement of enjoyment in and to the Common Area, and such easement shall be appurtenant to and shall pass with the title to every Lot. (See Article X for the Association's Remedies for Violations.)

Section 2. TITLE TO COMMON AREA. On or before the conveyance of the last Lot owned by the Developer, the Developer or its successors and assigns will convey to the Association, by limited warranty, fee simple title to the Common Area, free and clear of all encumbrances and liens, except those created by or pursuant to this Declaration, and further except for easements and restrictions existing record prior to the purchase of The Property by the Developer, none of which will make the title unmarketable. Subject however, to the following covenant which shall be deemed to run with the land and shall be binding upon the Association, its successors and assigns: In order to preserve and enhance The Property values and amenities of the Community, the Common Area and all facilities now or hereafter built or installed by the Developer or the Association thereon shall at all times be maintained in good repair and condition by the Association and shall be operated by the Association in accordance with reasonable standards. The maintenance, operation, and repair of the Common Area shall include, but not be limited to, repair of damage to pavements, roadways, walkways, outdoor lighting, buildings, if any, recreational equipment, if any, fences, storm drains, and sewer and water lines connections and appurtenances, except when such responsibilities are accepted by responsible parties, including public bodies, governmental bodies, districts, agencies or authorities and only for so long as they properly perform. After conveyance by the Developer, unless assumed by the Developer, the Developer shall bear no obligation for the performance of these responsibilities which if not properly performed shall be the responsibility of the Association.

This section shall not be amended, as provided for in Article IX, Section 5 to eliminate or substantially impair the obligation for the maintenance and repair of the Common Area.

Section 3. EXTENT OF MEMBER'S EASEMENTS. The rights and easements created hereby shall be subject to the following rights which are hereby reserved to the Developer or the Association's Board of Directors, When Empowered:

- (a) The right of the Developer, and of the Association, When Empowered, to dedicate, transfer, or convey all or any part of the Common Area, with or without consideration, to any governmental body, district, agency, or authority, or to any utility company, and the right of the Developer and the Association, When Empowered, to convey with consideration all or any part of the Common Area upon affirmative vote of more than fifty (50%) percent of the vote of the Members.

- (b) The right of the Developer, and of the Association, When Empowered, to grant and reserve easements and rights of way through, under, over, and across Common Area, for the installation, maintenance, and inspection of lines and appurtenances for public and private water, sewer, drainage, and other utility services, including a cable or Community antenna television system and irrigation or lawn sprinkler systems, and the right of the Developer to grant and reserve easements and rights of way through, over and upon and across the Common Area for the operation and maintenance of the Common Area.

- (c) The right of visitors, invitees, and guests to ingress and egress in and over those portions of Common Area that lie within the private roadways, parking lots and/or driveways (and over any other necessary portion of the Common Area in the case of landlocked adjacent Owners) to the nearest public highway.

- (d) The right of the Association, in accordance with the law, its Articles of Incorporation and By-Laws, to borrow money for the purpose of improving the Common Area and, in pursuance thereof, to mortgage or encumber the Common Area.

Section 4. DELEGATION OF RIGHTS OF ENJOYMENT. Any Owner may delegate, in accordance with the By-Laws of the Association, his right of enjoyment to the Common Area and facilities to his employees, tenants, invitees, or licensee, subject to the reasonable rules, regulations, and policies established and amended by the Board of Directors of the Association from time to time. Any Owner shall at all times be responsible for and liable for the actions of that Owners's family, tenants, invitees, guests or licensees, employees, pets, etc., and shall further be responsible for the paying of any Assessments for non-compliance levied for their non-compliance with this Declaration, the By-Laws of the Association or the reasonable rules, regulations, and policies established and amended by the Board of Directors of the Association from time to time, which shall become a continuing lien on the Lot.

Section 5. ADDITIONAL STRUCTURES. Neither Association nor any Owner shall, without prior written approval of the Developer, so long as the Developer owns one (1) Lot permitted by the Master Plan of the Community, or without written approval of the Architectural Control Authority, When Empowered, erect construct, or otherwise locate any Structure or other improvement in the Common Area. The Developer, so long as the Developer owns one (1) Lot permitted by the Master Plan of the Community, reserves the right to erect, construct, or otherwise locate any additional Structure or other improvement in the Common Area.

ARTICLE VI
COMPLETION, MAINTENANCE, AND OPERATION OF COMMON
AREA AND FACILITIES

Section 1. COMPLETION OF COMMON AREA BY THE DEVELOPER. The Developer will complete the construction of the Common Area, streets and roadways for the Community as shown on any recorded plat of the Community.

Section 2. MAINTENANCE AND OPERATION OF COMMON AREA. The Association at its sole cost and expense shall operate and maintain the Common Area and provide the requisite services in connection therewith. It shall further be the responsibility of the Association to maintain all entrances including entrance signs, lights, sprinklers, shrubs, and to pay the cost of the utility bills and other such requisite services in connection with the maintenance of such entranceways. Until one hundred (100%) percent of the Dwellings permitted by the Master Plan have certificates of occupancy issued thereon and have been conveyed to Owners other than builders holding title for purposes of development and sale, if the Association fails to operate or maintain the Common Area to the satisfaction of the Developer or fails to employ contractors which the Developer, in its sole discretion, determines to be able to properly operate or maintain the Common Area, the Developer may, but is not required to, notify the Association to correct the maintenance problem or remove the contractor. If the Association fails to do so within the time set forth in the notice, the Developer may, but is not required to, correct said maintenance problem or removed and replace such contractor. The Association shall reimburse the Developer for any and all costs incurred by the Developer and the cost including collection costs incurred by the Developer shall be a lien on the Common Area. This Section shall not be amended or removed without the written consent of the Developer.

ARTICLE VII
ASSESSMENTS

Section 1. ASSESSMENTS

- (a) Each and every Owner of any Lot or Lots within The Property, by acceptance of a deed therefore, whether or not it shall be so expressed in any such deed or other conveyance, shall be personally obligated to pay to the Association, the Assessments, and the Association's Collection fees, attorney's fees and court cost incurred in collecting the Assessments, or in enforcing or attempting to enforce the Declaration, By-Laws and the Architectural Guidelines and Regulations of the Developer or the Board of Directors, When Empowered.
- (b) Assessments, together with such interest thereon, and other costs of collection; including the Association collection fees, and attorney fees and court costs shall be a charge on the land and shall be a continuing lien upon the Lot or Lots against which such Assessments are levied. Owners of any Lot shall share in the obligation of any other Owner of that Lot and shall be jointly and severally liable for any Assessments, the cost of collection by the Association, attorney fees and court costs that are attributable to that Lot.
- (c) The Association shall, upon demand at any time, furnish to any Owner liable for any Assessments, a certificate in writing signed by an officer of the Association, setting forth whether said Assessments have been paid. Such certificate shall be conclusive evidence of payment of any Assessments therein stated to have been paid. At all times the Association's records with respect to payments made or due shall be deemed correct unless proper documentation to the contrary can be produced.
- This Article shall not be amended as provided in Article IX, Section 5, to eliminate or substantially impair the obligation to fix the Assessments at an amount sufficient to properly operate the Association, maintain and operate the Common Area and perform the maintenance required to be performed by the Association under this Declaration without the written consent of the Developer.
- (d) Omitted
- (e) The Assessment shall be five (5) types: (1) Regular Assessments; (2) Assessment for non-compliance with this Declaration, the By-Laws of the Association, and the reasonable rules, regulations, and policies established and amended by the Board of Directors of the Association from time to time; (3) Assessments for Capital Improvements as described in Section 3 below; (4) Assessments for Working Capital Fund as described in Section 4; and (5) Assessments Budgetary Shortfall as described in Section 5 below. Such Assessments established, and collected from time to time as herein after provided. (See Section X for Remedies of the Association for Violation.)

Section 2. REGULAR ASSESSMENTS.

- (a) The Regular Assessments levied by the Association shall be used exclusively for the purposes of the general operation of the Association, reserves and the promotion of the health, safety, and welfare of the residents of the Community, and in particular for the improvement and maintenance of the Common Area, including but not limited to, the payment of mortgages, taxes and insurance thereon, and repair, replacement, and additions thereof, the cost of labor, equipment, materials, management, and supervision thereof, and the cost of lawn and landscaping maintenance, and refuse collection; reserves for the replacement of the Association property and improvements to the Common Area; and all other obligations or debts incurred by the Association.
- (b) The Developer or the Board of Directors of the Association, When Empowered, shall at all times fix the Regular Assessment based on the Association's budget for the period of the Regular Assessment. The amount of the Regular Assessment shall be uniform for each Lot except as set forth herein and shall be assessed against all Lots at the time of the Assessment. The Developer or Board of Directors, When Empowered, shall once each year create a budget and fix the date of commencement, the size and number of installments, the method of determining the amount of all Regular Assessments against each Owner of a Lot, and shall, at that time prepare a roster of the Owners and the Regular Assessments applicable thereto. The roster shall be kept in the office of the Association and shall be opened to inspection by any Owner. If the Developer or the Board of Directors, When Empowered, fails to set a Regular Assessment, then the previous Assessment or the previous installment schedule shall continue until the Regular Assessment is set. A copy of the budget or any amended budget and written notice of the Regular Assessment and adjustment thereof, shall be sent to every Owner subject thereto, identifying the amount(s), due date(s), and the address to which payments are to be sent, at least thirty (30) days in advance of the due date of the first (or only) installment of each Regular Assessment. Until one hundred (100%) percent of the Dwellings permitted by the Master Plan have certificates of occupancy issued thereon and have been conveyed to Owners other than builders holding title for purposes of development and sale, the Developer shall have the option of approval of any portion of the budget.

- (c) The Developer or the Board of Directors, When Empowered, shall have the right to adjust the amount and installment schedule of the Regular Assessment without Membership approval for the purpose of meeting the budgetary obligations of the Association and in times of an unexpected cash-flow shortfall. The Developer or the Board of Directors, When Empowered, may, at its sole discretion, set estimated Regular Assessments until the Regular Assessment is set and the budget completed, or may delay the billing of Regular Assessments until the budget is complete and then bill the Owners for the Regular Assessment for the entire budget period.
- (d) Until one hundred (100%) percent of the Dwellings permitted by the Master Plan have certificates of occupancy issued thereon and have been conveyed to Owners other than builders holding title for purposes of development and sale, the Developer may also choose the option of either (1) paying the Regular Assessments attributable to the Lots owned by the Developer at the time that the Regular Assessments are due and paying a prorated Regular Assessment for the incorporation of additional Lots during the budget period or (2) paying the deficits in the expenses and capital reserves (but not contingencies) of the Association not paid by the Regular Assessments, so long as the responsibilities of the Association within the approved budget are properly met. Any expenses of the Association paid by and any advances paid to the Association by the Developer which are in excess of the amount due from the Developer for Regular Assessments for Lots owned by the Developer, or if the Developer chooses to pay deficit expense, the amount paid by the Developer to or fro the Association which exceeds the actual deficit, at the option of the Developer, shall be considered a loan to the Association, repayable under terms established by the Developer, and which are reasonably acceptable to the Board of Directors of the Association.
- (e) Any Regular Assessments against Lots owned by the Developer (including those added after the date of the Assessment) shall not be due until the end of the period for which the Regular Assessment is established, provided, however, if the Developer has chosen to pay the deficits in the expense and capital reserves and then fails to pay the deficits, the Regular Assessment for Lots owned by the Developer shall be due thirty (30) days after the Association notifies the Developer of its failure to pay the deficits at the end of the budget period.

- (f) At any time of the closing of a Lot owned by the Developer, if the Regular Assessment for that period has been paid by the Developer, that portion of the Regular Assessment that is attributable to the balance of the period shall be collected and paid to the Developer. All other assessments, when levied, shall be the responsibility of the Owner of record on the date that the Assessment is authorized by the Developer or by the Board of Directors of the Association, When Empowered.

Section 3. ASSESSMENTS FOR NON-COMPLIANCE. In the event that any Owner, their guests or invitees fail to comply with any of the provisions of the Declaration, the By-Laws of the Association, the rules, regulations and policies or Architectural Guidelines and Regulations established and amended by the Developer or the Board of Directors, When Empowered, from time to time, the Developer, or the Board of Directors, When Empowered, may issue Assessments, which shall be an Assessment for Non-compliance and shall be a lien on the Lot or Lots of that Owner. (See Section X for Remedies of the Association.)

Section 4. ASSESSMENTS FOR CAPITAL REPAIR OR IMPROVEMENTS. In addition to the Regular Assessments, the Association may levy in, any period, an Assessment (which must be fixed at a uniform rate for all Lots) for the purpose of defraying, in whole or in part, the cost of any construction or any reconstruction, unexpected repair or replacement of a capital improvement upon the Common Area, including the necessary fixtures, equipment and personal property relating thereto, provided that such Assessment shall have the assent of more than fifty (50%) percent 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 shall be sent to all Members not less than thirty (30) days and no more than sixty (60) days in advance of the meeting provided, however, these periods for notice may be shorter as necessary to obtain funds for emergency repairs to the Structures on the Common Area. Subject to the provisions of Section 2, the due date or due dates of any installment of any such Assessment shall be fixed in the resolution authorizing such Assessment.

Section 5. ASSESSMENT FOR WORKING CAPITAL FUND. At the time of acquiring title to a Lot or Lots from the Developer or a contractor who purchased the Lot from the Developer who completes the residential improvements on the Lot, each Owner acquiring such title shall, at the option of the Developer or the Board of Directors, When Empowered, deposit with the Association a reserve fund payment in a sum to be determined from time to time by the Developer or Board of Directors, When Empowered, to provide for a working capital fund for the

obligations of the Association. Such working capital fund payments shall be used for the purposes as determined from time to time by the Developer or the Board of Directors of the Association, When Empowered.

Section 6. ASSESSMENTS FOR BUDGETARY SHORTFALL

In addition to the Regular Assessment, the Developer or the Board of Directors, When Empowered, may at its option draw from the appropriate reserve funding or working capital funds or may levy, in any period, an Assessment (which must be fixed at a uniform rate for all Lots), subject to the provisions of Section 2 applicable to that period only, to cover any unexpected shortfall in the cash flow of the Association. Said Assessment shall not require the approval of the Membership.

Section 7. SUBORDINATION OF THE LIEN TO

MORTGAGES. The liens provided for herein shall be subordinate to the lien of any first lien, mortgage or deed of trust recorded prior to the recording of the Notice of Lien by the Association or the Developer in the Office of the Register of Deeds for the County in which the Lot is located. Sale or transfer of any Lot shall not affect the liens provided for in the preceding section. However, the sale or transfer of any Lot shall not affect the liens provided for in the preceding section. However, the sale or transfer of any Lot which is subject to any such first lien, mortgage or deed of trust, pursuant to a foreclosure thereof or any proceeding in the lieu of foreclosure thereof, shall extinguish the lien of Assessments under the Notice of Lien when recorded prior to such mortgage as to the payment thereof which becomes due prior to such sale or transfer but shall not relieve any Owner in possession of a Lot prior to such foreclosure sale or deed of trust from any personal obligation defined herein for the payment of Assessments. No such sale or transfer shall relieve such Owner from liability for any Assessments thereafter becoming due or from the lien thereof, but the liens provided for herein shall continue to be subordinate to the lien of any subsequent first lien, mortgage or deed of trust except for liens for Assessment due from subsequent Owners of the Lot if the Notice of Lien is recorded prior to the subsequent first lien mortgage.

Section 8 EXEMPT PROPERTY.

The following properties subject to this Declaration shall be exempt from the dues, Assessments, charges, and liens created herein: (a) All Common Area, as defined in Article I, Section 1 hereof and (b) Streets. Notwithstanding any provision herein, no Lots shall be exempt from said liens.

ARTICLE VIII
ARCHITECTURAL CONTROL

Section 1. IMPROVEMENTS.

- (a) Until one hundred (100%) percent of the Dwellings permitted by the Master Plan have certificates of occupancy issued thereon and have been conveyed to Owners other than builders holding title for purposes of development and sale, the Developer shall retain the right to grant variances to, publish and amend the Architectural Guidelines and Regulations for the Community and to approve or disapprove all Plans required hereunder which shall be submitted prior to the start of construction. Until that time, the Developer may, at its sole option, delegate part or all of these rights to the Architectural Control Authority or to an appropriate entity of the Developer's choosing. After one hundred (100%) percent of the Dwellings permitted by the Master Plan have certificates of occupancy issued thereon and have been conveyed to Owners other than builders holding title for purposes of development and sale, the guidelines shall be established or amended by the Members of the Architectural Control Authority which Members shall be appointed by the Board of Directors of the Association as hereinafter provided and as provided in the By-Laws of the Association.
- (b) In addition to any other restrictions contained in the Declaration, unless waived by the Developer or the Architectural Control Authority, When Empowered, no building, fence, wall or other Structure, planting or landscaping shall be commenced, erected, placed, stored, or maintained upon any Lot, nor shall any exterior addition to, change or alteration therein, including without limitation any plantings or landscape, be made until the Plans and specifications showing the nature, kind, shape, height, materials and location of the same shall have been submitted to and approved in writing as to the harmony of external design and location in relation to surrounding Structures and topography by the appropriate party of committee designated by the

Developer or the Architectural Control Authority, when appointed as defined herein. Notwithstanding anything herein to the contrary, until one hundred (100%) percent of the Dwellings permitted by the Master Plan have certificates of occupancy issued thereon and have been conveyed to Owners other than builders holding title for purposes of development and sale, should the entity, the Developer may, at its sole option, approve or disapprove any Plans approved or rejected by the Architectural Control Authority or other entity or other decision of the authority for the construction of initial improvements on any Lot provided that these initial improvements on any Lot provided that these initial improvements are approved by any appropriate governmental regulatory authority, such written approval by the Developer shall operate and have the same effect as approval by the Architectural Control Authority to which this authority was delegated.

Section 2. Architectural Control Authority. The Architectural Control Authority, when established by the Developer or the Board of Directors of the Association, When Empowered, shall be composed of three (3) or more representatives.

Section 3. PROCEDURES.

- (a) Unless waived by the Developer or the Architectural Control Authority or unless provided differently in the Architectural Guidelines and Regulations, in accordance with Section 1 above, any person desiring to make any improvements, alteration or changes described in Section 1 above shall submit Plans showing the nature, kind, shape, height, materials and location of the Structures along with any other required documentation requested by the Developer or Architectural Control Authority to the Developer or the Architectural Control Authority, or other appropriate party or committee which shall evaluate, approve or disapprove in writing such Plans in light of the purpose of this Article. An aggrieved Owner may appeal the final decision of the Architectural Control Authority to the Developer or the Board of Directors, When Empowered, through the processes set forth in the Architectural Guidelines and Regulations.

(b) The Developer, or the Architectural Control Authority, When Empowered, may charge a reasonable review fee for its initial review, the amount of which shall be established by the Developer or the Architectural Control Authority, When Empowered, may at its option, employ outside professional services for initial review and may pay them accordingly for this service. The Authority must be approved by the Developer or the Board of Directors of the Association, When Empowered. Subsequent reviews may require additional fees.

(c) **APPROVAL BY THE DEVELOPER OR ANY OTHER APPROPRIATE ENTITY FOR USE IN CONNECTION WITH ANY LOT OF ANY PLANS AND SPECIFICATIONS OR THE GRANTING OF TA VARIANCE WITH RESPECT TO ANY OF THE ARCHITECTURAL GUIDELINES AND REGULATIONS, WHEN ESTABLISHED, SHALL NOT IN ANY WAY BE CONSTRUED TO SET A PRECEDENT FOR APPROVAL, ALTER IN ANY WAY THE PUBLISHED ARCHITECTURAL CONTROL AUTHORITY GUIDELINES, WHEN ESTABLISHED, OR BE DEEMED A WAIVER OF THE DEVELOPER'S OR THE ARCHITECTURAL CONTROL AUTHORITY'S, WHEN EMPOWERED, RIGHT IN ITS DISCRETION, TO DISAPPROVE SIMILAR PLANS AND SPECIFICATIONS OR ANY OF THE FEATURES OR ELEMENTS WHICH ARE SUBSEQUENTLY SUBMITTED FOR USE IN CONNECTION WITH ANY OTHER LOT.**

Notwithstanding the Developer's final right or approval or disapproval as defined herein, approval of such Plans, relating to any Lot shall be final as to that Lot and such approval may not be reviewed or rescinded thereafter, provided that there has been adherence to, and compliance with, such Plans, as approved in writing, and any conditions attached to any such approval.

(d) The Developer or Architectural Control Authority, When Empowered, may, at it's option, require the Owner to make a deposit to insure compliance with the

approval in an amount and upon conditions to be determined by the Developer or Architectural Control Authority, When Empowered. The setting of an amount as a compliance deposit or of conditions for compliance for any one Lot, shall not in any way act to set a precedent or effect in any way the setting of an amount or conditions of compliance for any other Lot or for any other set of Plans which are to be or have been approved within the Architectural Control Authority. The terms for waiver of any deposit and for the determination of the deposit amount, conditions of payment and the release to an Owner of any remaining portion of said compliance deposit, shall be defined in the Architectural Guidelines and Regulations. Nothing herein shall be deemed to waive or limit in any way other remedies of the Developer, including those to insure compliance with the Architectural Guidelines and Regulations, or any Owner under this Declaration or at law.

- (e) **NEITHER THE DEVELOPER, NOR ANY OTHER MEMBER OF AN ARCHITECTURAL CONTROL AUTHORITY, SHALL BE RESPONSIBLE OR LIABLE IN ANY WAY FOR THE DEFECTS IN ANY PLANS OR SPECIFICATIONS APPROVED BY THE DEVELOPER OR THE ARCHITECTURAL CONTROL AUTHORITY, NOR FOR ANY STRUCTURAL DEFECTS IN ANY WORK DONE ACCORDING TO SUCH PLANS AND SPECIFICATIONS APPROVED BY THE DEVELOPER OR ARCHITECTURAL CONTROL AUTHORITY. FURTHER, NEITHER THE DEVELOPER, THE ASSOCIATION, ARCHITECTURAL CONTROL AUTHORITY, OR THEIR RESPECTIVE SHAREHOLDERS, DIRECTORS, OFFICERS, AGENTS, OR ATTORNEYS SHALL BE LIABLE TO ANYONE BY REASON OF MISTAKE IN JUDGMENT, NEGLIGENCE, MISFEASANCE, MALFEASANCE OR NONFEASANCE ARISING OUT OF OR IN CONNECTION WITH THE APPROVAL OR DISAPPROVAL OR FAILURE TO APPROVE OR DISAPPROVE ANY SUCH PLANS OR SPECIFICATIONS OR THE**

EXERCISE OF ANY OTHER POWER OR RIGHT OF THE DEVELOPER OR THE ARCHITECTURAL CONTROL AUTHORITY PROVIDED FOR IN THE DECLARATION, EVERY PERSON WHO SUBMITS PLANS AND SPECIFICATIONS TO THE DEVELOPER OR THE ARCHITECTURAL CONTROL AUTHORITY FOR ANPPROVAL AGREES, BY SUBMISSION OF SUCH PLAN AND SPCIFICATIONS, AND EVERY OWNER OF ANY LOT AGREES, THAT HE WILL NOT BRING ANY ACTION OR SUIT AGAINST THE DEVELOPER, THE ASSOCIATION, ITS BOARD MEMBER OR OFFICERS, OR ANY MEMBER OF THE ARCHITECTURAL CONTROL AUTHORITY, TO RECOVER ANY SUCH DAMAGES, AND HEREBY RELEASES, REMISES, QUIT CLAIMS, AND COVENANTS NOT TO SUE OF ALL CLAIMS, DEMANDS, AND CAUSES OF ACTION ARISING OUT OF OR IN CONNECTION WITH ANY LAW WHICH PROVIDES THAT A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS, DEMANDS AND CAUSES OF ACTION NOT KNOWN AT THE TIME THE RELEASE IS GIVEN.

- (f) **NEITHER THE DEVELOPER, THE ASSOCIATION OR THE ARCHITECTURAL CONTROL AUTHORITY SHALL BEAR RESPONSIBILITY FOR THE REPAIR OR REPLACEMENT OF ANY LANDSCAPINGK, SPECIAL GRADING, OR STRUCTURE PALNTED OR CONSTRUCTED INTENTIONALLY OR INADVERTENTLY AND WHETHER APPROVED OR NOT BY THE DEVELOPER OR THE ARCHITECTURAL CONTROL AUTHORITY.**

**ARTICLE IX
EXTERIOR MAINTENANCE AND REASONABLE AND EMERGENCY
ACCESS**

Section 1. EXTERIOR MAINTENANCE. Each Owner shall be responsible for the exterior maintenance of his Dwelling and Lot as follows:

painting, replacement and care of roofs, gutters, downspouts, exterior building surfaces, lawn, trees, shrubs, driveways, walks, and other exterior improvements.

Section 2. ACCESS AT REASONABLE HOURS For the purpose of performing its function under this or any other Article of the Declaration, to correct any violation of this Declaration, and to make necessary surveys in connection therewith, the Association, its duly authorized agent and employees, or the Developer shall have the right to enter upon any Lot at reasonable hours, on a day.

Section 3. EMERGENCY ACCESS. There is hereby granted to the Developer, the Association, When Empowered, its directors, officers, agents and employees and to any Manager employed by the Association as provided for in Section 8 of Article VI hereof, and to all policemen, firemen, ambulance personnel and all similar emergency personnel an easement to enter upon The Property or any part thereof in the proper performance of their respective duties. Except in the event of the emergencies, the rights under this Section shall be exercised only during reasonable daylight hours, and then, whenever practicable, only after advance notice to the Owner affected thereby. The rights granted herein to the Association includes reasonable right of entry upon any Lot to make emergency repairs and to do other work reasonably necessary for the proper maintenance and operation of the Community.

ARTICLE X REMEDIES

Section 1. REMEMDIES FOR NONPAYMENT OF ASSESSMENTS. Any assessments not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of sixteen (16) percent per annum or the highest rate allowed by law, whichever is higher. Said interest shall be charged at the discretion of the Developer or the Association's Board of Directors, When Empowered. In addition, the Developer or the Board of Directors of the Association, When Empowered, shall have the right to charge an Association collection fee or late charge on any Assessment or installment thereof which shall not have been paid by its due date. In the event that the Developer or the Board of Directors of the Association, When Empowered, chooses an installment schedule for the method of payment for an Assessment or as a method of allowing an Owner to pay past due Assessments, and in the event that any installment is delinquent, the Developer or the Board of Directors of the Association, When Empowered, shall have the right to accelerate and immediately make due all or part of the Assessment due from that Owner of that Lot for that budgeted period. The Developer or the Board of Directors of the Association, When Empowered, may bring an action at law against the Lot in the same manner as prescribed by the laws of the State of South Carolina for the foreclosure of mortgages and may seek a deficiency judgment, and interest, court costs, all costs of collection,

including reasonable attorney's fees. No Owner may waive or otherwise escape liability for the Assessment provided for herein by non-use of the Common Area or abandonment of his Lot nor shall damage to or destruction of any improvements on any Lot by fire or other casualty result in any abatement or diminution of the Assessments provided for here. No disagreement on the part of any Owner with respect to the budget; the amount or installment schedule for any Assessment; any change to the amount or installment schedule for the Assessment; the rules, regulations, or policies established or amended by the Developer or the Board of Directors of the Association, When Empowered; the actions or lack of action on the part of the Developer or the Association; the purpose for any Assessment for the Capital Repair or Improvements agreed upon by the required number of Members of the Association; or the amount or purpose of any Assessment for Budgetary Shortfall not requiring the Members approval shall be reason for any Owner to fail to pay any Assessment at the time that it is due. Also, the Developer or board of Association, When Empowered, may at any time notify the holders of mortgages of the Lot of the failure of the Owner to pay Assessments or any other violation of the Declaration.

Section 2. REMEDIES FOR NONPAYMENT OF ADVALOREM TAXES OR LEVIES FOR PUBLIC IMPROVEMENTS BY THE ASSOCIATION. Upon default by the Association in the payment to the governmental authority entitled thereto of any ad valorem taxes levied against the Common Area or Assessments levied for public improvements to the Common Area, which default shall continue for a period of six (6) months, each Owner of a Lot shall become personally obligated to pay to the taxing or assessing governmental authority a portion of such unpaid taxes or Assessments in an amount determined by dividing the total taxes and/or Assessments due the governmental authority by the total number of Lots in the Community. If such sum is not paid by the Owner within thirty (30) days following receipt of notice of the amount due, then such sum shall become a continuing lien, subordinate to all other mortgages, on the Lot of the then Owner, his or their heirs, devisees, personal representatives and assigns, and the taxing or assessing governmental authority may either bring an action at law or may elect to foreclose the lien against the Lot of the Owner.

Section 3. REMEDIES FOR FAILURE TO MAINTAIN EXTERIOR OF DWELLING AND LOT. In the event that the Owner neglects or fails to maintain his Lot and/or the exterior of his or her Dwelling in the Community, the Developer or the Association, When Empowered, may in addition to any other remedy, provide such exterior maintenance. The Developer or the Association, When Empowered, shall first give written notice to the Owner of the specific items of the exterior maintenance or repair that the Association intends to perform and the Owner shall have the time set forth in said notice within which to perform such exterior maintenance himself or to satisfy the Association that the required maintenance or repair will be completed in a timely manner. The determination as to whether an Owner has neglected or failed to maintain his Lot and/or Dwelling in a manner consistent with other Lots and Dwellings in the Community

shall be made by the Developer or the Board of Directors of the Association, When Empowered, in its sole discretion, or any entity authorized to do so by the Developer or the Board of Directors of the Association, When Empowered.

In the event the Association performs such exterior maintenance, repair or replacements repair, the costs of such maintenance, repairs or replacement together with all costs of collecting from the Owner the cost of such maintenance, repairs or replacement established herein shall be added to and become part of the Assessment to which that Lot is subject.

In the event that the Association determines that the need for maintenance, repair or replacement, which is the responsibility of the Association hereunder, is caused through the willful or negligent act of an Owner or family, guests, employees, lessees, or invitee(s) of any Owner, then the Association may perform such maintenance, repair or replacement at such Owner's sole cost and expense, and all costs thereof, together with any Assessments for Non-Compliance levied by the Association for Non-compliance and all costs of the collection shall be added to and become a part of the Assessment to which such Owner is subject and shall become a lien against the Lot of such Owner. Each Owner is responsible for the actions of and the compliance with these documents and the established rules, regulations and policies of the Developer or the Association, When Empowered, of the family, guests, lessees, employees or invitee(s) of that Owner shall further be responsible for the payment of any Assessments levied for hat non-compliance.

Section 4. ADDITIONAL REMEDIES.

- (a) Enforcement of the Declaration, By-Laws of the Association, and the rules, regulations and policies established by the Developer or the Board of Directors, When Empowered, in addition to any other remedy set out herein, may be carried out by the Developer, the Association, When Empowered, or the Owner through any proceeding at law or in equity against any person or persons violating or attempting to violate any covenant or restriction on the Declaration, By-Laws, and rules and regulations established by the Developer or the Association, When Empowered, either to prevent or restrain violations, to recover damages or to compel a compliance to the terms thereof. Any failure by the Developer, the Association, When Empowered, or any Owner to enforce any covenant or restriction herein contained or contained in the Declaration or By-Laws or to enforce any of the rules, regulations or policies shall in no event be deemed a waiver of a right to do so thereafter. In addition to the foregoing, the Developer or the Board of Directors of the Association, When Empowered, shall have the right wherever there shall have been built on any Lot any Structure which is in violation of the Declaration, or Architectural Guidelines and Regulations, rules, regulation or parties to enter upon the Lot where such violation exists

and summarily abate or remove the same at the expense of the Owner, if after written notice of such violation, it shall not have been corrected by the Owner within time required by the notice of violation. Any such entry and abatement or removal shall not be deemed a trespass.

- (b) The Developer or the Association, When Empowered, may, in addition to any other remedy, issue against any Owner an Assessment for Non-compliance and may suspend the enjoyment rights of any Owner, family member, licensee, employee or guest, etc. of an Owner for an appropriate period of time to be determined on a case by case basis by the Developer or the Board of Directors, When Empowered, for any non-compliance, with the provisions of the Declaration, the By-Laws or of the rules, regulations, or policies, including but not limited to violations of Article II, Section 5. OFFENSIVE ACTIVITIES. Article II, Section 13, UNDERBRUSH, FINISHED YARDS, ETC. and Article III, CONSTRUCTION IN ACCORDANCE WITH PLANS. The right, however, of a Member to ingress and egress over the roads and/or parking areas shall not be suspended. Any Assessments for Non-Compliance levied by the Developer or the Board of Directors, When Empowered, or a its duly appointed entity against an Owner for an infraction of that Owners, Owner?s family member, licensee, employee or guest, etc. shall be the responsibility of that Owner and shall become a continuing lien on the Lot of the Owner.

- (c) The Owner grants to the Developer and the Association the right and permission to enter the Lot to remove or correct any violation of the Declaration, By-Laws or Rules or Regulations of the Developer or the Association including but not limited to, the maintenance of the Lots or any Structure (as defined in Article I Section 1) thereon, the removal of abandoned automobiles, said pets or other animals considered by the Board to be in violation or a nuisance.

- (d) In addition to the remedies outlined in this Article, the Developer or the Association, When Empowered, may, but shall not be required to, enter upon any Lot(s) or Common Area, seize and either deliver to the animal control authority at the Owner?s cost, any pet or other animal that is not in compliance with the Declaration By-Laws, or the rules, regulations or policies of the Developer or the Association, When Empowered. Notice of non-compliance shall be given to any Owner whose pets or animal are not in compliance, except when said non-compliance creates an emergency as determined by the

Developer or the Board of the Association, When Empowered. The departure, while not under the restraint of a leash, of any pet or other animal from the Lot of its Owner, shall immediately constitute an emergency and there shall be no requirement for notice to be given.

- (e) In addition to the remedies outlined above in this Article, the Developer, or the Association, When Empowered, shall have the right to arrange for the removal, at the Owners expense, of any vehicle that is parked in violation of the Declaration or the rules, regulations or policies after notice to the Owner of the Lot on or beside which the vehicle is parked, Notice of non-compliance shall be given to any Owner where the parking of a vehicle or vehicles, except of the Association, When Empowered. The parking of a vehicle which impedes the passage of any emergency vehicle or school bus, shall immediately constitute an emergency and there shall be no requirement for notice to be given.

ARTICLE XI GENERAL PROVISIONS

Section 1. DURATION. The covenants and restrictions of this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Developer, the Association, or the Owner(s) of any land subject to this Declaration, and the irrespective legal representatives, heirs, successors, and assigns. All covenants, conditions, limitations, restrictions, and affirmative obligations set forth in this Declaration, and amended as provided in Article IX section 5 and 6 of this Declaration from time to time, shall be binding and run with the land and continue until twenty one years from the date of the execution hereof, after which time said covenants shall be automatically extended for successive periods of ten (10) years unless an instrument signed by two-thirds (2/3) of the then Owners affected by the same has been recorded, agreeing to change the same in whole or in part; provided, however, that all property rights and other rights reserved to the Developer shall continue forever to the Developer, its successor and assigns, except as otherwise herein provided.

Section 2. NOTICE. Any notice required to be sent to any Member or Owner under the provision of this Declaration and service of any legal proceedings shall be deemed to have been properly sent and received when personally delivered or mailed, post paid, to the last known address of the person who appears as that person authorized to receive notice or to vote as shown on the records of the Association at the time of such mailing. It shall at all times be the responsibility of any Owner to file written notice with the Association of the name and address of the person authorized to receive notification from the Association or the Developer as to Assessments, or infractions of the

Association's rules, regulations, and policies, etc. Proof of the authority to receive notice and to vote shall be presented to the Association in the form of a certificate signed by the Owner of a Lot. Such certificate shall be deemed valid until revoked by a subsequent certificate. The Association does not have to send notice or service to any other address. If the Owner does not file such certificate, the notice or service shall be sufficient if delivered, posted or mail post paid to the Lot.

Section 3. SETTLEMENT STATEMENT AUTHORIZATION. The Owner by acceptance of the deed authorizes and directs the closing attorney to provide the Association with a copy of the Settlement Statement from the closing transferring the Lot and/or Dwelling to the Owner.

Section 4. SEVERABILITY. In the event that any one or more of the foregoing conditions, covenants, restrictions, or reservations shall be declared for any reason by a court of competent jurisdiction to be null and void, such judgment or decree shall not in any manner whatsoever effect, modify, change, aberrant, or nullify any of these covenants, conditions, and restrictions not so declared to be void by all remaining covenants, conditions, reservations, and restrictions not so expressly held to be void shall continue unimpaired and in full force and effect.

Section 5. AMENDMENT. With respect to the minimum square footage requirements in the Community, the Developer reserves the right to alter, from time to time, the minimum square footage requirements as established by the Developer or as set out the Architectural Guidelines and Regulations, when established. In addition to any other manner herein provided for the amendment of this Declaration, the covenants, restrictions, easements, charges, and liens for this Agreement may be amended, changed, added to derogated or deleted at any time and from time to time upon the execution and recordation of any instrument executed by Owners holding not less than a majority of votes of Owners of the votes of both classes of Membership of the Association, provided that so long as the Developer is the Owner of any Lot affected by this Declaration, the Developer's consent must be obtained. Provided further, that the provisions for voting of Class "A" and Class "B" Members as herein contained in the Declaration shall also be effective in voting changes in this Declaration. Without limiting the foregoing, the Association, and so long as the Developer owns at least one (1) Lot in the Community, the Developer, shall, at any time and from time to time as the Developer sees fit, have the right to cause this document to be amended to correct any clerical or scrivener's error(s) or to conform to the requirements of the Federal Housing Administration or the Veterans Administration or the Federal National Mortgage Corporation, FNMA or any other insurer or purchaser of mortgage secured by the Lots as the same may be amended from time to time.

Section 6. AMENDMENT PRIOR TO SALE BY THE DEVELOPER. At any time prior to the closing of the first sale of Lots by the Developer, the

Developer, and any mortgage holder, if any, may amend this Declaration by their mutual consent. The closing of the first sale shall mean transfer of title and delivery of a deed and not execution of contract of sale or like document.

Section 7. EFFECTIVE DATE. This Declaration shall become effective upon its recordation in the office of The Register of Deeds for the county in which The Property is located.

Section 8. PAID PROFESSIONAL MANAGER. The Developer or the Board of Directors, When Empowered, may employ a professional manager or managerial firm to supervise all work, labor, services, and material required in the operation and maintenance of the Common Area and in the discharge of the Association's duties throughout the Community.

Section 9. BINDING EFFECT. This Declaration shall inure to the benefit of and be binding upon the parties hereto, and the purchaser of Lots, their heirs, personal representatives, successors and assigns.

Section 10. WAIVER. The failure to enforce any rights, reservations, restrictions or conditions contained in this Declaration, however long continued, shall not be construed to constitute a precedent or be deemed a waiver of the right to do so hereafter as to the same breach or as to a breach occurring prior or subsequent thereto and shall not bar or affect its enforcement.

Section 11. ATTORNEY'S FEES AND COST. Should the Developer or the Association employ counsel to enforce the Declaration, or the reasonable rules, regulations and policies established or amended by the Developer or the Board of Directors from time to time because of a breach of the same, all costs incurred in such enforcement, including a reasonable fee for the Developer's or the Association's counsel and other reasonable costs of collection, shall be paid by the Owner of such Lot or Lots in breach thereof.

Section 12. DEVELOPER LIABILITY AND HOLD HARMLESS. The Developer herein shall not in any way or manner be liable or responsible for any violation of the Declaration by any person other than itself. The Owners and the Association shall hold harmless the Developer from any liability, loss or cost arising out of their or their agents, guests or invitees, violation of the Declaration.

Section 14. TIME REDUCTION. In the event that any of the provisions hereunder are declared void by a court of competent jurisdiction by reason of the period of time herein stated for which same shall be effective, then and in that event such terms shall be reduced to a period of time which shall not violate the rule against perpetuities or any other law of the State of South Carolina and such provisions shall be fully effective for such period of time.

ARTICLE XII

ADDITIONAL MATTERS DEALING WITH PHASED COMMUNITY

Section 1. ANNEXATION OF ADDITIONAL PHASES AND CREATION OF A MASTER ASSOCIATION. The Developer shall have the right to annex additional Phases and Common Area into The Property by the filing of an Amendment or Addendum to this Declaration which describes The Property annexed, and imposes this Declaration upon such property annexed. All property annexed in this manner shall be a part of the Association as fully as if it had been a part thereof from the filing of this Declaration. The Developer or the Board of Directors, When Empowered, may create an incorporated or unincorporated Master Association for the purpose of owning property and/or for the purpose of maintaining and operating some or all of the Common Area within the Community and upon its creation may delegate part or all of the responsibilities and authority of this Association to that Master Association or make this Association a Sub-Association of that Master Association.

Section 2. VOTING RIGHTS. As each Phase, if any, is added to the Community, the Lots comprising such additional phase shall be counted for the purpose of voting rights.

IN WITNESS WHEREOF, the Developer, has caused this instrument to be executed by its proper officers and its corporate seal to be affixed thereto on the day and year first above.

_____ THE MUNGO COMPANY, INC

_____ BY: _____

M. STEWART MUNGO
ITS PRESIDENT

STATE OF SOUTH CAROLINA)
COUNTY OF RICHLAND)

PROBATE

Personally appeared before me the undersigned witness who on oath says that (s)he saw the within named Developer by its duly authorized officer as indicated above, sign, seal and as its act and deed, deliver the within written instrument and that (s)he with the other witness whose name appears above, witnessed the execution thereof.

SWORN TO BEFORE ME THIS
__DAY OF _____2000.

NOTARY PUBLIC FOR SOUTH CAROLINA
MY COMMISSION EXPIRES: 9/29/208

WITNESS _____

SCHEDULE "A"

All those certain pieces, parcels, or lots of land, with improvements thereon, if any, situate lying and being in the County of Lexington, State of South Carolina, being shown and delineated as Lots 1, 2, 3, 9, 11, 12, 13, 14, 15, 16, 17, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, and 40 on a plat of LONG'S POND ESTATES, PHASE ONE prepared by BELTER AND ASSOCIATES, INC. dated September 24, 1999, and recorded in the Office of R.O.D. for Lexington County in Plat Slide 5652, at Page 260; reference being made to the said plat which is incorporated herein by reference for a more complete and accurate description; all measurements being a little more or less.

This portion of the property heretofore conveyed to THE MUNGO COMPANY, INC. by deed of M. STEWART MUNGO and STEVEN W. MUNGO dated January ____, 2000, and recorded January 12, 2000 in Lexington County Record Book 5608 at Page 109.

Amenities in such community and for the maintenance of such common lands and facilities.

5. The Mungo Company, Inc. desires to subject the real property described in Schedule A to the covenants, conditions, restrictions, easements, charges, and liens, hereinafter set forth and to the guidelines, policies, procedures, rules and regulations adopted by the Developer or the Association, When Empowered. Each and all of which is and are binding upon and for the benefit of the Developer, The Property and each Owner and shall run with the title to the land.
6. The Mungo Company, Inc. had deemed it desirable, for the efficient preservation of the values and the amenities in the Community, to create the Association to which will be delegated and

THIS AGREEMENT IS SUBJECT TO BINDING ARBITRATION
PURSUANT TO THE SOUTH CAROLINA UNIFORM ARBITRATION ACT
(S.C. CODE ANN. ? 15-48-10 ET SEQ., AMENDED.

CORRECTED

FIRST AMENDMENT
TO
DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS, EASEMENT,
CHARGES, AND LIENS FOR
LONG'S POND ESTATES
01.48
PREAMBLE

The FIRST AMENDMENT dated February 27, 2001, and recorded February 28, 2001 in Lexington County Record Book 6213, at page 256 erroneously included some lots not located in Long's Pond Estates Phase Two, and this Corrected First Amendment is executed and filed to correct the property description of the aforementioned First Amendment.

NOW, THEREFORE,

THIS FIRST AMENDMENT ("FIRST AMENDMENT") to the DECLARATION of Covenants, Conditions, Restrictions, Easements, Charges, Liens for LONG'S POND ESTATES dated February 21, 2000, and recorded February 22, 2000 in the Office of R.O.D for Lexington County in Record Book 5655, at page 255, ("DECLARATION") is made this the 5th day of MARCH 2001 by THE MUNGO COMPANY, INC., a corporation organized and existing under the laws of the State of South Carolina, hereinafter referred to as "Developer":

RECITALS

1. The Developer is the fee simple owner of, the real property described below, and is developing thereon a subdivision development which is a portion of the development contemplated within the DECLARATION previously filed as described above.
2. Paragraph No. 2 of the recital of the Declaration referenced above provides that the Developer has or may acquire additional real property which it may desire to develop as additional phases which the Developer may incorporate and bring under the Declaration.
3. Omitted.
4. The Developer, in accordance with its Declaration, does desire to develop as an additional phase the real property described below, and does desire that the

real property described below shall be brought under the terms of the Declaration.

5. The property to become subject to the said Declaration consists of the following:

All those certain pieces, parcels or lots of land, with improvements thereon, if any, situate, lying and being in the County of Lexington, State of South Carolina, being shown and delineated as Lots 41, 42, 43, 44, 45, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, and 111, on a plat of LONG'S POND ESTATES, PHASE TWO prepared by BELTER AND ASSOCIATES, INC., dated August 30, 2000, last revised October 5, 2000, and recorded in the Office of the R.O.D. for Lexington County in Plat Slide 602, at Page 1; reference being made to the said plat which is incorporated herein by reference for a more complete and accurate description; all measurements being a little more or less.

This is a portion of the property heretofore conveyed to THE MUNGO COMPANY, INC. by deed of M. STEWART MUNGO and STEVEN W. MUNGO dated and recorded February 26, 2001 in Lexington County Record Book 6207 at Page 88.

Developer's Mailing Address: 441 WESTERN LANE
IRMO, SOUTH CAROLINA 29063

WITNESSETH

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS that the Developer, for the purpose of protecting the above set out and enumerated lots of land for residential development does hereby:

IMPOSITION OF DECLARATION
ON LONG'S POND ESTATES PHASE TWO

Impose upon said set out and enumerated lots of land the conditions, restrictions, and easements as set forth in that certain DECLARATION of Covenants, Conditions, Restrictions, Easements, Charges, and Liens for LONG'S POND ESTATES dated February 21, 2000, and recorded February 22, 2000 in the Office of R.O.D. for Lexington County in Record Book 5655, at page 255, and the terms of the said Declaration are incorporated herein by reference as if fully set forth herein in their entirety.

SECOND AMENDMENT
TO
DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS, EASEMENTS,
CHARGES, AND LIENS FOR
LONG'S POND ESTATES
01.48

THIS SECOND AMENDMENT (“SECOND AMENDMENT”) to the DECLARATION of Covenants, Conditions, Restrictions, Easements, Charges, and Liens for LONG’S POND ESTATES dated February 21, 2000, and recorded February 22, 2000 in the Office of the R.O.D. for Lexington County in Record Book 5655, at Page 255, (DECLARATION”) is made this the 29th day of AUGUST, 2001 by THE MUNGO COMPANY, INC., a corporations organized and existing under the laws of the State of South Carolina, hereinafter referred to as “Developer”:

RECITALS

1. The Developer is the fee simple owner of, the real property described below, and is developing thereon a subdivision development which is a portion of the development contemplated within the DECLARATION previously filed as described above.
2. Paragraph No. 2 of the recitals of the Declaration referenced above provides that the Developer has or may acquire additional real property which it may desire to develop as additional phases which the Developer may incorporate and bring under the Declaration.
3. Omitted.
4. The Developer, in accordance with its Declaration, does desire to develop as an additional phase the real property described below, and does desire that the real property described below shall be brought under the terms of the Declaration.
5. The property to become subject to the said Declaration consists of the following:

All those certain pieces, parcels or lots of land, with the improvements thereon, if any, situate, lying and being in the County of Lexington, State of South Carolina, being shown and delineated as Lots 46, 47, 48, 49, 50, 81, 83, 84, 85,

86, 87, 88, 89, 90, 91, 92, 93, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 142, and 156 on plat of LONG'S POND ESTATES, PHASE THREE prepared by BELTER AND ASSOCIATES, INC., dated April 8, 2001, last revised July 30, 20001, and recorded in the Office of the R.O.D. for Lexington County in Plat Slide 628, at Page 1; reference being made to the said plat which is incorporated herein by reference for a more complete and accurate description; all measurements being a little more or less.

This portion of the property heretofore conveyed to THE MUNGO COMPANY, INC., by deed of M. STEWART MUNG AND STEVEN W. MUNGO dated August 29, 2001, and recorded in Lexington County Record Book 6612 at Page 41.

Developers Mailing Address: 441 WESTERN LANE
IRMO, SOUTH CAROLINA 29063

WITNESSETH

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS that the Developer, for the purpose of protecting the above set out and enumerated lots of land for residential development does hereby:

**IMPOSITION OF DECLARATION
ON LONG'S POND ESTATES PHASE THREE**

Impose upon said set out and numerated lots of land the conditions, restrictions, and easements as set forth in that certain DECLARATION of Covenants, Conditions, Restrictions, Easements, Charges and Liens for LONG'S POND ESTATES dated February 21, 2000, and recorded February 22, 2000 in the Office of the R.O.D. for Lexington County in Record Book 5655, at Page 255, and terms of the said Declaration are incorporated herein by reference as if fully set forth herein in their entirety.

All other terms and conditions of the DECLARATION, as previously amended, shall remain in full force and effect unchanged except as amended by this SECOND AMENDMENT.