

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR KINGSTON FOREST SUBDIVISION**

COPY

THIS DECLARATION is made on this 21ST day of February, 1997 by CENTEX HOMES, a Nevada general partnership hereinafter referred to as the "Declarant".

WITNESSETH

WHEREAS, the Declarant is the owner of certain real property in Richland County, South Carolina, described on Exhibit "A" attached hereto and incorporated herein by reference; and

WHEREAS, Declarant desires to create an exclusive planned community known as the Kingston Forest Subdivision on the land described in Exhibit "A" and such other land as may be added thereto pursuant to the terms and provisions of this Declaration;

NOW THEREFORE, the Declarant declares that the real property described on the attached Exhibit "A" shall be held, sold and conveyed subject to the restrictions, easements, covenants and conditions declared below, which shall be deemed to be covenants running with the land and imposed on and intended for the benefit and burden each Lot and other portions of the Property in order to maintain within the Property a quality planned community. Such matters shall be binding on all parties having any right, title or interest therein or any part thereof, their respective heirs, personal representatives, successors and assigns, and shall insure to the benefit of each owner thereof.

ARTICLE I

DEFINITIONS

Section 1.1. "Additional Land" shall mean and refer to the area shown on Exhibit "B" including, but not limited to, residential property, Common Areas and Recreational Amenities, as described in Section 11.5(b) of this Declaration.

Section 1.2. "Association" shall mean and refer to the Kingston Forest Homeowner's Association, Inc., a South Carolina nonprofit corporation established, or to be established, for the purposes set forth herein.

Section 1.3. "Common Areas" shall mean and refer all real property, including improvements thereto owned by the Association for the common use and enjoyment of the Owners. The Common Area to be owned by the Association at the time of the conveyance of the first lot is described as follows: The Right of Way Maintenance Areas as defined above and or further shown as landscaping easements on the Plat (as defined below)

Section 1.4. "Recreational Amenities" shall mean and refer to one (1) swimming pool, one (1) child's wading pool, a cabana with restrooms, two (2) tennis courts, and one (1) playground, as well as any other beautification or landscaped areas or parking areas benefitting the foregoing listed amenities that are owned and maintained by the Association. The Recreational Amenities shall be located upon Common Areas and included within the general definition of Common Areas.

Section 1.5. "Right-of-Way Maintenance Areas" shall mean and refer to portions of the entrance monuments located within the right-of-way of Hollingshed Road and Fox Chapel Drive and other areas within the dedicated streets or roads within the Property for which the Association will assume maintenance and beautification responsibilities above and beyond those of Richland County, South Carolina, as more specifically set forth in Section 4.17.

Section 1.6. "Declaration" shall mean and refer to this Declaration of Covenants, Conditions and Restrictions for Kingston Forest Subdivision, and any amendments, annexations and supplements thereto made in accordance with its terms.

Section 1.7. "Declarant" shall mean and refer to Centex Homes, a Nevada general partnership, its successors and assigns who are designated as such in writing by Declarant, and who consent in writing to assume the duties and obligations of the Declarant with respect to the Lots acquired by such successor or assign.

Section 1.8. "Lot" shall mean and refer to any of the plots of land indicated upon the recorded subdivision map of the Property or any part thereof creating single-family homesites, with the exception of the Common Areas, Recreational Amenities and Wetland Areas and areas deeded or dedicated to a governmental authority or utility, together with all improvements thereon.

Section 1.9. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot, including contract sellers, but excluding those having an interest merely as security for the performance of an obligation.

Section 1.10. "Plat" shall mean and refer to collectively the Plat prepared of Fox Chapel - Phase IA recorded in Plat Book 55, Page 5916, of the Office of the Register of Mesne and Conveyances for Richland County, South Carolina, and the Plat prepared of Fox Chapel - Phase IB recorded in Plat Book 55, Page 6093 of the aforesaid public records.

Section 1.11. "Property" shall mean and refer to the real property described on the attached Exhibit "A".

Section 1.12. "Unit" shall mean and refer to any residential dwelling situated upon any Lot.

Section 1.13. "Wetland Areas" shall mean and refer to that portion of the Property designated as Wetlands by the U.S. Army Corps of Engineers as delineated on a recorded Plat or Plats of the Property.

ARTICLE II

PROPERTY RIGHTS

Section 2.1. Owner's Easements of Enjoyment. Every Owner shall have a right and easement in and to the Common Areas and Recreational Amenities and a right and easement of ingress and egress to, from and through said Common Areas and Recreational Amenities, and such easement shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

- a. The right of the Association to charge reasonable admission and other fees for the use of any Recreational Amenities situated upon the Common Areas;
- b. The right of the Association to establish and publish rules and regulations governing the use of the Common Areas and Recreational Amenities affecting the welfare of the Association Members.
- c. The right of the Association to establish rules and regulations and prohibit the use of the Wetland Areas as may be required by any Federal or State governmental agencies.
- d. The right of the Association to suspend the right of use of the Common Areas and Recreational Amenities and the voting rights of an Owner for any period not to exceed sixty (60) days for any infraction of its published rules and regulations.
- e. The right of the Association, subject to the provisions hereof, to transfer or convey all or any part of the Common Areas, Wetland Areas or Recreational Amenities, if any, to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Owners. No such dedication or transfer shall be effective unless an instrument signed by Owners entitled to cast two-thirds (2/3) of the votes of each class of membership has been recorded agreeing to such dedication or transfer.
- f. The right of the Association to grant, consent to or join in the grant or conveyance of easements, licenses or rights-of-way in, on or over the Common Area for purposes consistent with the intended use of the Property as a residential community.

- g. The rights and reservations of Declarant set forth in this Declaration.

Section 2.2 Effect of Declaration. Reference in any deed, mortgage, trust deed or any other recorded documents to the easements, restrictions and covenants herein described or to this Declaration shall be sufficient to create and reserve such easements and covenants to the respective grantees, mortgagees, or trustees of said parcels as fully and completely as if those easements, restrictions and covenants were fully related and set forth in their entirety in said documents.

Section 2.3. Delegation of Use. Any owner may delegate, in accordance with the By-Laws, his right of enjoyment to the Common Areas and Recreational Amenities to the members of his family, his tenants, or contract purchasers who reside within the Unit.

Section 2.4. Drainage Alteration Prohibited. The surface water drainage contours of each Lot shall conform to the approved grading plan established by the Declarant. No Owner shall fill or alter any drainage swale established by the Declarant, nor shall any Owner install landscaping or other improvements that divert surface water runoff from the drainage patterns, swales and easements established by Declarant.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS FOR KINGSTON FOREST HOMEOWNER'S ASSOCIATION, INC.

Section 3.1. Membership. The Declarant and every Owner of a Lot shall be a member of the Association. Membership shall be appurtenant to and shall not be separated from the Ownership of any Lot. Every member shall have the right at all reasonable times during business hours to inspect the books of the Association.

Section 3.2. Voting Rights. The Association shall have two classes of voting membership:

a. **Class A.** Class A Members shall be all Owners with the exception of Declarant and shall be entitled to one (1) vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members, but the vote for such Lot shall be exercised as they among themselves determine, and in no event shall more than one (1) vote be cast with respect to any Lot.

b. **Class B.** The Class B Members shall be the Declarant who shall be entitled to three (3) votes for each unoccupied Lot owned. The Class B membership on the happening of either of the following events, which ever occurs earlier, the conveyance of the Lot which causes the total votes outstanding in the Class B membership to equal the total votes outstanding in the Class A membership, or ten (10) years after conveyance of the first Lot to a Class A Member. Class B membership shall be reinstated at any time

before the expiration of ten (10) years from the date of conveyance of the first Lot if additional Lots owned by a Class B Member are annexed into the Association in sufficient numbers to restore a ratio of at least one (1) Class B Lot to each three (3) Class Lots in the overall area subject to the Association.

c. Suspension. All voting rights of an Owner shall be suspended during any period in which such Owner is delinquent in the payment of any assessment duly established pursuant to Article IV or for sixty (60) days for any other violation or default hereunder or under the By-Laws or Rules and Regulations of the Association.

ARTICLE IV

COVENANT FOR MAINTENANCE ASSESSMENT

Section 4.1. Creation of the Lien and Personal Obligation of Assessments. Each Member is deemed to covenant and agree to pay the Association: (1) annual assessment charges, and (2) special assessment charges. The annual and special assessments, together with such 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 property against which each such assessment is made. Each such assessment, together with such interest, costs and reasonable attorney's fees shall also be the personal obligation of the person who was the Owner of such Property at the time when the assessment fell due and shall not pass to his successors in title unless expressly assumed by them.

Section 4.2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of the Owners and residents in the Properties and for the improvement and maintenance of the Common Areas, Recreational Amenities, Right-of-Way Maintenance areas and Wetland Areas.

Section 4.3. Basis and Maximum of Annual Assessments for Class A Members. Until January 1st of the year immediately following the conveyance of the First Lot to a Class A Member, the maximum annual assessment shall be \$240.00 per Lot.

a. From and after January 1st of the year immediately following the conveyance of the first Lot to a Class A Member, the maximum annual assessment may be increased each year ten (10%) percent above the maximum assessment for the previous year without a vote of the membership.

b. From and after January 1st of the year immediately following the conveyance of the first Lot to a Class A Member the maximum annual assessment may be increased more than ten (10%) percent above the prior year's maximum by a vote of two-thirds (2/3) of each class of members who are voting in person or by proxy at a meeting called for this purpose.

Written notice of such meeting shall be sent to all members not less than ten (10) days nor more than fifty (50) days in advance of the meeting setting forth the purpose of the meeting. The limitations hereof shall not apply to any change in the maximum and basis of the assessments undertaken as and incident to a merger or consolidation in which the Association is authorized to participate under its Articles of Incorporation.

Section 4.4. Assessments to be levied by Board. After consideration of current maintenance costs and future needs of the Association, the Board of Directors may levy the annual assessments in accordance with the provisions set forth in Section 4.3 above.

Section 4.5. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy special assessments as follows:

a. In any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any new construction, reconstruction, repair or replacement of a capital improvement upon any Common Area, Recreational Amenity or Right-of-Way Maintenance Area, including fixtures and personal property related thereto may be assessed. The Association shall not commingle the proceeds of such special assessments with the maintenance fund. Such proceeds shall be used solely and exclusively to fund the improvements in question.

b. The Board of Directors shall determine the necessity and the amount of any special assessment, provided that any such assessment shall have the assent of two-thirds (2/3) of each class of members who are voting in person or by proxy at a meeting called for the purpose of approving the special assessments and conducting other business, if any. Written notice of such meeting shall be sent to each member not less than ten (10) days nor more than fifty (50) days in advance of the meeting.

Section 4.6. Declarant Assessment, Subsidy. The annual assessment for Lots owned by Declarant shall be one-fourth (1/4) the annual assessment for Lots owned by Class A Members. The Association shall, upon written demand and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether or not the assessment has been paid for the assessment period. Declarant hereby covenants and agrees that in the event that the annual maintenance fund revenues are insufficient to pay the operating expenses of the Association, it shall provide the funds necessary to make up the deficit (the "Subsidy"), within thirty (30) days of receipt of request for payment thereof from the Association, provided that if the deficit is the result of the failure or refusal of an Owner or Owners to pay their annual maintenance assessments, the Association shall diligently pursue all available remedies against such defaulting Owner or Owners, including the immediate institution of litigation to recover the

unpaid assessments, and shall reimburse the Declarant the amounts, if any, so collected. The Subsidy provided for herein, if one is determined by the Board of Directors to be necessary for a year of operation as set forth above, together with interest, costs and reasonable attorneys fees shall be a charge upon the Lots owner by Declarant and shall constitute a lien upon Lots owned by Declarant effective only at the time said lien is recorded. In the alternative, Declarant shall have the right to pay full Class A assessments on its Lots without thereby relinquishing its Class B status and shall then be excused from the payment of any budget deficits.

Section 4.7. Initial Maintenance Fund. Upon the first sale of a Lot to a Class A Member by Declarant, an initial maintenance fund fee equal to three (3) months' estimated regular assessment may be assessed which shall be due and payable upon conveyance of a Lot to a Class A Member. The aggregate fund established by such initial maintenance fund fee shall be maintained in an account as part of the Maintenance Fund, and shall be available for all necessary expenditures of the Association for maintenance and considered a part of the Maintenance Fund established pursuant to Section 4.11 below.

Section 4.8. Uniform Rate. Both annual and special assessments must be fixed at a uniform rate for each class of membership for all single-family Lots and may be collected on a monthly, quarterly or annual basis.

Section 4.9. Quorum for any Action Authorized under Sections 4.3 and 4.5. At any meeting called, as provided in Sections 4.3 and 4.5 hereof, the presence at the meeting of members or of proxies entitled to cast a majority of all the votes of each class of membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice requirement set forth in Sections 4.3 and 4.5, however, the quorum requirement shall be one-half (1/2) of the previous quorum requirements. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting. The necessary approval may also be obtained by a canvass of the members as set forth in Article VIII, Section 8.4 of the By-Laws.

Section 4.10. Date of Commencement of Annual Assessments: Due Dates. The annual assessment provided for herein shall commence as to all Lots on the first day of the month following the conveyance of the first Lot to a Class A Member. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment period; provided, however, that the Board of Directors shall have the right to adjust the annual assessment as long as any such adjustment does not exceed the maximum permitted hereunder with thirty (30) days written notice given to each Owner. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall upon demand, at any time 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 reasonable charge may be made by the Board of Directors for the issuance of these certificates. Such

certificates shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 4.11. Establishment of Maintenance Fund. The Association shall establish a Maintenance fund composed of a portion of the Owners' annual assessments and shall use the proceeds of such fund in providing for normal, recurring maintenance charges for the Common Areas and Recreational Amenities for the use and benefit of all members of the Association. Such uses and benefits to be provided by the Association may include, by way of clarification and not limitation, any and all of the following: normal, recurring maintenance of the Common Areas, Recreational Amenities and Right-of-Way Maintenance Areas (including, but not limited to mowing, edging, watering, clipping, sweeping, pruning, raking, and otherwise caring for existing landscaping and general maintenance of the entry monuments, greeting stations and median located on Hollingshed Road and Fox Chapel Drive, swimming pool, child's wading pool, a cabana with restrooms, playground, tennis courts and swimming pool equipment) and the improvements to such Common Areas, Recreational Amenities and Right-of-Way Maintenance Areas such as sprinkler systems, provided that the Association shall have no obligation (except as expressly provided hereinafter) to make capital improvements to the Common Areas, Recreational Amenities and Right-of-Way Maintenance Areas; payment of all legal and other expenses incurred in connection with the enforcement of all recorded covenants, restrictions and conditions affecting the Property to which the maintenance fund applies; payment of all reasonable and necessary expenses in connection with the collection and administration of the annual assessment or any special assessment; employment of policemen and watchmen, if any; caring for vacant lots; and doing any other thing or things necessary or desirable in the opinion of the Board of Directors of the Association to keep the Property neat and in good order, or which is considered of general benefit to the Owners or occupants of the Property, it being understood that the judgment of the Board of Directors in the expenditure of said funds and the determination of what constitutes normal, recurring maintenance shall be final and conclusive so long as such judgment is exercised in good faith.

Section 4.12. Effect of Non-payment of Assessments: Remedies of the Association Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within ten (10) days after the due date, the Association shall have the authority to impose late charges of fifteen (\$15.00) dollars to compensate for the administrative and processing costs of late payments and the assessment shall bear interest from the date of delinquency at the rate of eighteen percent (18%) per annum or the highest rate of interest allowed by South Carolina law from time to time, and the Association may bring an action at law or in equity against the Owner personally obligated to pay the same or

foreclose the lien against the property, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. The Association or its agents shall have the right and power to bring all actions against such Owner personally for the collection of such charges as a debt and to enforce the aforesaid lien

by all methods available for the enforcement of such liens, including foreclosure by an action brought in the name of the Association in like manner as a mortgage or deed of trust lien on real property. The lien provided for in this section shall be in favor of the Association and shall be for the benefit of all other Owners. The Association acting on behalf of the Owners shall have the power to bid on an interest foreclosed at foreclosure sale and to acquire and hold, lease, mortgage and convey the same; and to subrogate so much of its right to such liens as may be necessary or expedient. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Areas, Recreational Amenities, Right-of-Way Maintenance Areas or abandonment of his property.

Section 4.13. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any mortgage or mortgages granted or created by the Owner of any Lot to secure the payment of monies advanced and used for the purpose of purchasing and/or improving such Lot. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot which is subject to any mortgage, pursuant to a foreclosure under such purchase-money or improvement mortgages or any proceeding in lieu of foreclosure thereof, shall extinguish the lien of such assessments as to payments thereof which become due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability or any assessments thereafter becoming due or from the lien thereof.

Section 4.14. No Reimbursement to Declarant. The proceeds of the regular annual assessments shall not be used to reimburse Declarant for any capital expenditures incurred in construction or other improvements of Common Areas, if any, nor for the operation or maintenance of such Common Areas incurred prior to conveyance thereof unencumbered, to the Association.

Section 4.15. Reserve Fund, Budget and Capital Contribution. The Association shall, in addition, establish and maintain an adequate reserve fund for the periodic maintenance, repair and replacement of improvements to the Common Areas, Recreational Amenities and Right-of-Way Maintenance Areas. The fund shall be established and maintained out of regular annual assessments. The Board of Directors shall annually prepare reserve budgets for the Common Areas, Recreational Amenities and Right-of-Way Maintenance Areas, which take into account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost. The Board of Directors shall set the required capital contribution in an amount sufficient to permit meeting the projected needs of the Association, as shown on the budget, with respect both to amount and timing by annual assessments over the budget period. Monies set aside in a reserve fund may not be reallocated for use in payment of operating expenses. Monies set aside in one (1) reserve fund (if more than one (1) such reserve fund is set up) may be reallocated to other reserve funds with the approval of the Board of Directors.

Section 4.16. Reimbursement of Costs Expended. The Board of Directors may levy a charge ("Reimbursement Charge") against an Owner if the failure of the Owner to comply with this Declaration, the Articles of Incorporation, the By-Laws or any rules and regulations shall have resulted in the expenditure of funds or the determination that funds will be expended by the Association to cause such compliance. Such Reimbursement Charge shall be levied only after notice and hearing by the Board of Directors. The amount of the Reimbursement Charge shall not exceed actual out of pocket expense of the Association and shall be due and payable to the Association ten (10) days after notice to the member of the decision of the Board of Directors that the Reimbursement Assessment is owing.

Section 4.17. Right-of-Way Maintenance Areas. The Association shall, in addition to the maintenance of the Common Areas and Recreational Amenities, be expressly empowered to maintain the landscaping and any other beautification needs of the areas within the rights-of-way, including but not limited to , landscaping, mowing, edging, watering, clipping, sweeping, pruning, raking and repairing of any improvements to such Right-of-Way Maintenance Areas as the Association deems necessary. Notwithstanding the foregoing, the Association shall not be obligated to make capital improvements to the Right-of-Way Maintenance Areas. Declarant and the Association covenant that they will not cause the greeting station located within the Right-of-Way Maintenance Area to be staffed or occupied unless prior written approval for such occupancy has been obtained from Richland County.

ARTICLE V

GENERAL POWERS AND DUTIES OF THE BOARD OF DIRECTORS OF THE ASSOCIATION

Section 5.1. Purpose of Maintenance Fund. The Board, for the benefit of the Owners, shall provide and shall pay for out of the maintenance fund provided for in Article IV above the following:

- a. Taxes and assessments and other liens and encumbrances which shall properly be assessed or charged against the Common Areas and Recreational Amenities rather than against the individual Owners, if any.
- b. Care, preservation and enhancement of the Common Areas and Recreational Amenities.
- c. Preservation of the Wetland Areas.
- d. The services of a professional person or management firm to manage the Association or any separate portion thereof to the extent deemed advisable by the

Board, (provided that any contract for management of the Association shall be terminable by the Association, with no penalty upon ninety (90) days prior written notice to the managing party) and the services of such other personnel as the Board shall determine to be necessary or property for the operation of the Association, whether such personnel are employed directly by the Board or by the manager.

e. Legal and accounting services and related cost.

f. A policy or policies of insurance insuring the Association against any liability to the public or to the Owners and Declarant (and/or invitees or tenants) incident to the operation of the Association in any amount or amounts as determined by the Board of Directors, including a policy or policies of insurance as provided herein in Article VII.

g. Workers compensation insurance to the extent necessary to comply with any applicable laws.

h. Such fidelity bonds as may be required by the By-Laws or as the Board may determine to be advisable.

i. Care, preservation and enhancement of the Right-of-Way Maintenance Areas.

j. Any other materials, supplies, insurance, furniture, labor, services, maintenance, repairs, structural alterations, taxes or assessments (including taxes or assessments assessed against an individual Owner) which the Board is required to obtain or pay for pursuant to the terms of this Declaration or by law or which in its opinion shall be necessary or proper for the enforcement of this Declaration and the use, maintenance and repair of the Common Areas, Right-of-Way Maintenance Areas and Recreational Amenities.

Section 5.2. Powers and Duties of the Board. The Board, for the benefit of the Owners, shall have the following general powers and duties, in addition to the specific powers and duties provided for herein and in the By-Laws of the Association:

a. To execute all declarations of ownership for tax assessment purposes with regard to the Common Areas and recreational amenities, if any, on behalf of all Owners.

b. To borrow funds to pay costs of operation secured by assignment or pledge of rights against delinquent Owners if the Board sees fit.

c. To enter into contracts, maintain one or bank accounts, and generally to have all the power necessary or incidental to the operation and management of the Association.

d. To protect or defend the Common Areas, Recreational Amenities and Right-of-Way Maintenance Areas from loss or damage by suit or otherwise and to provide adequate reserves for repairs and replacements.

e. To make reasonable rules and regulations for the operation of the Recreational Amenities and other Common Areas and to amend them from time to time; provided that, any rule or regulation may be amended or repealed by an instrument in writing signed by a majority of the Owners, or with respect to a rule applicable to less than all of the Common Areas, by the Owners in the portions affected.

f. To make available for inspection by Owners within sixty (60) days after the end of each year an annual report and to make all books and records of the Association available for inspection by Owners at reasonable times and intervals.

g. To adjust the amount, collect and use any insurance proceeds to repair damage or replace lost property, and if proceeds are insufficient to repair damage or replace lost property, to assess the Owners in proportionate amounts to cover the deficiency.

h. To enforce the provisions of any rules made hereunder and to enjoin and seek damages from any owner for violation of such provisions or rules.

i. To collect all assessments and enforce all penalties for non-payment including the filing of liens and institution of legal proceedings.

Section 5.3. Board Powers Exclusive. The Board shall have the exclusive right to contract for all goods, services and insurance, payment of which is to be made from the maintenance fund and the exclusive right and obligation to perform the functions of the Board except as otherwise provided herein.

Section 5.4. Maintenance Contracts. The Board, on behalf of the Association, shall have full power and authority to contract with any Owner or other person or entity for the performance by the Association of services which the Board is not otherwise required to perform pursuant to the terms hereof, such contracts to be upon such terms and conditions and for such consideration as the Board may deem proper, advisable and in the best interest of the Association.

ARTICLE VI

ARCHITECTURAL REVIEW

Section 6.1. Architectural Control Committee. A committee to be known as the Architectural Control Committee (the "ACC") shall be established consisting of three (3) members.

a. The members of the ACC shall be appointed, terminated and/or replaced by the Board of Directors. The foregoing notwithstanding, the Declarant, its successors or assigns, shall have the right to appoint at least one (1) member of the ACC until 100% of the Lots are sold or until Declarant notifies the Association in writing of its desire to relinquish the right of appointment granted herein, whichever occurs first. Thereafter all the members of the ACC shall be appointed, terminated and/or replaced by the Board of Directors. The initial members appointed to the ACC are William M. Satterfield, Leonard "Buddy" Powell and Steve Pope.

b. The purpose of the ACC is to enforce the architectural standards of the community and to approve or disapprove changes or additions for improvements proposed for the Lots.

c. The ACC shall act by simple majority vote, and shall have the authority to delegate its duties to subcommittees or to retain the services of a professional engineer, architect, designer, inspector or other person to assist in the performance of its duties.

Section 6.2. Scope of Review. No building, fence, wall, outbuilding, landscaping, pool, athletic facility or other structure or improvement shall be erected, altered, added onto or replaced upon any portion of the Property without prior written consent of the ACC.

Section 6.3. Submission of Plans. Prior to the initiation of construction or placement of any structure upon any Lot, the Owner thereof shall first submit to the ACC a complete set of plans and specifications for the proposed improvements, including site plans, grading plans, landscape plans, floor plans depicting room sizes and layouts, exterior elevations, specifications of materials and exterior colors, and any other information deemed necessary by the ACC for the performance of its function. In addition, the Owner shall submit the identity of the individual or company intended to perform the work and projected commencement and completion dates.

Section 6.4. Plan review. Upon receipt by the ACC of all of the information required by this Article VI, it shall have thirty (30) days in which to review said plans. The proposed improvements will be approved if, in the sole opinion of the ACC: (i) The improvements will be of an architectural style and material that are compatible with the other structures on the property; (ii) the improvements will not violate any restrictive covenant or encroach upon any easement, Common Area, Recreational Amenity or Wetland Area or cross platted building set back lines; (iii) the improvements will not result in the reduction in property value, use or enjoyment of any of the Property; (iv) the individual or company intended to perform the work is acceptable to the ACC; and (v) the improvements will be substantially completed, including all cleanup, within three (3)

months of the date of commencement (6 months for the construction of a complete house). In the event that the ACC fails to issue its written approval within thirty (30) days of its receipt of the last of the materials or documents required to complete the Owner's submission, the ACC's approval shall be deemed to have been granted without further action so long as the plans submitted do not violate any other provision of the Declaration, the Plat or the Bylaws, in which event the Owner's submission will be deemed to have been denied.

Section 6.5. Non-conforming Structures. If there shall be a material deviation from the approved plans in the completed improvements, such improvements shall be in violation of this Article VI to the same extent as if erected without prior approval of the ACC. The ACC, the Association or any Owner may maintain an action at law or in equity for the removal or correction of the non-conforming structure and, if successful, shall recover from the Owner in violation all costs, expenses and fees incurred in the prosecution thereof.

Section 6.7. Waiver of Future Approvals. The approval or consent of the ACC to any plans or specifications for any work done or proposed or in connection with any other matter requiring the approval or consent of the ACC shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any plans or specifications or other matter whatever subsequently or additionally submitted for approval or consent.

Section 6.8. Address of Notice. Requests for ACC approval of correspondence with the ACC shall be addressed to the Kingston Forest ACC and mailed or delivered to the principal office of Centex Homes, a Nevada general partnership in Richland County, South Carolina, or such other address as may be designated from time to time by the ACC. No correspondence or request for approval shall be deemed to have been received until actually received by the ACC in form satisfactory to the ACC.

Section 6.9. Declarant Exemption. So long as Declarant is a Class B Member the ACC shall have no authority, power or jurisdiction over Lots owned by Declarant, and the provisions of this Article VI shall not apply to Lots owned by Declarant until such time as declarant conveys title to the Lot to a purchaser thereof. Upon termination of Declarant's Class B status, Declarant follows the development plan submitted to and approved by the Department of Veterans Affairs and Federal Housing Administration. This Section 6.9 shall not be amended without Declarant's written consent set forth on the amendment.

ARTICLE VII TITLE TO COMMON AREAS

Section 7.1. Association to Hold. The Association shall own all Common Areas,

, Recreational Amenities and Wetland Areas in fee simple and assume all maintenance obligations with respect to any Common Areas, Recreational Amenities and Wetland Areas which may be hereafter established. Declarant shall convey all Common Areas to the Association free and clear of all encumbrances and prior to HUD insuring any first mortgage within the property. Nothing contained herein shall create an obligation on the part of Declarant to establish any Common Area.

Section 7.2. Liability Insurance. From and after the date on which title to any Common Area, Recreational Amenity or Wetland Area vests in the Association, and the date on which the Association assumes maintenance responsibility for the Right-of-Way Maintenance Area, the Association shall purchase and carry a general comprehensive public liability insurance policy for the benefit of the Association and its Members, covering occurrences on the Common Areas, Recreational Amenities, Wetland Areas and Right-of-Way Maintenance Areas. The policy limits shall be determined by the Board of Directors of the Association. The Association shall use its best efforts to see that such policy shall contain, if available, cross-liability endorsements or other appropriate provisions for the benefit of members, Directors, and the management company retained by the Association (if any), insuring each against liability to each other insured as well as third parties.

Section 7.3. Condemnation. In the event of condemnation or a sale in lieu thereof of all or any portion of the Common Areas, Recreational Amenities and Wetland Areas the funds payable with respect thereto shall be payable to the Association and shall be used by the Association to purchase additional Common Areas and/or Recreational Amenities to replace that which has been condemned or to take whatever steps it deems reasonable necessary to repair or correct any damage suffered as a result of the condemnation. In the event that the Board of Directors of the Association determines that the funds cannot be used in such a manner due to the lack of available land for additional Common Areas and/or Recreational Amenities or for whatever reason, any remaining funds may be distributed to each Owner on a pro rata basis.

ARTICLE VIII

EASEMENTS

Section 8.1. Utility Easements. As long as Class B membership shall be in effect shall be in effect, the Declarant hereby reserves the right to grant perpetual, nonexclusive easements limited to the front ten (10) feet of each Lot and the rear ten (10) feet of each Lot and the side five (5) feet of each Lot for the benefit of Declarant or its designers, upon, across, over, through and under any portion of the Common Areas or Recreational Amenities for ingress, egress, installation, replacement, repair, maintenance, use and operation of all utility and service lines and service systems, public and private, including, without limitation, cable television. To the extent the Declarant as successor in interest has public utility easements reserved along the side of each lot under a previous set of restrictive covenants, the Declarant hereby waives and abandons such easements to the

extent necessary to herein after make such side lot easements five (5) feet in width as herein described above. Lots backing up to the unnamed tributary or Hollingshed Creek shall have a thirty-five (35) feet rear yard drainage easement. Within these easements, no structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation or maintenance of utilities, or which may change the direction or flow of drainage channels. The Declarant hereby reserves the right to create an impose additional easements or rights-of-way over unsold Lots or for street, drainage and utility installation purposes by the recording of appropriate instruments, and such shall not be construed to invalidate any of these covenants. Declarant may grant written easements to specify utility providers within the easement areas described herein as reserved for utilities, and such easements shall be effective whether recorded before or after the sale of a lot affected thereby. Declarant, for itself and its designers, reserves the right to retain title to any and all pipes, lines, cables or other improvements installed on or in such easements. Upon cessation of Class B membership, the Association shall have the right to grant the easements described herein with regard to the Common Areas and Recreational Amenities only.

Section 8.2. Declarant's Easement to Correct Drainage. Declarant hereby reserves for the benefit of Declarant a blanket easement on, over and under the ground within the Property to maintain and correct drainage of surface waters and other erosion controls in order to maintain reasonable standards of health, safety and appearance and shall be entitled to remove trees or vegetation, without liability for replacement or damages, as may be necessary to provide adequate drainage facilities. Notwithstanding the foregoing, nothing herein shall be interpreted to impose any duty upon Declarant to correct or maintain any drainage facilities within the Property.

Section 8.3. Easement for Unintentional Encroachment. The Declarant hereby reserves and exclusive easement for the unintentional encroachment by any structure upon the Common Areas, Recreational Amenities or Wetland Areas caused by or resulting from, construction, repair, shifting, settlement or movement of any portion of the Property, which exclusive easement shall exist at all times during the continuance of such encroachment as an easement appurtenant to the encroaching Property to the extent of such encroachment.

Section 8.4. Entry Easement. In the event that an Owner fails to maintain his or her Lot as required herein, or in the event of emergency, the Association shall have the right, but not the obligation, to enter upon a Lot to make emergency repairs and to do other work reasonably necessary for the proper maintenance and appearance of the Lot. Entry upon the Lot as provided herein shall not be deemed a trespass, and the Association shall not be liable for any damage so created unless such damage is caused by the Association's willful misconduct or gross negligence. The easement provided herein is limited to the exterior of a Unit and yard area within a Lot. Any cost incurred by the Association pursuant to this Section 8.4 shall be reimbursed in accordance with Section 4.16.

Section 8.5. Drainage Easements. Easements for installation and maintenance of utilities, storm water and/or a conservation area are reserved as may be shown on the recorded Plat. Within these easement areas, no structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities, or which may hinder or change the direction of flow of drainage channels or slopes in the easements. The easement area of each lot and all improvements contained therein shall be maintained continuously by the Owner of said Lot, except for those improvements for which a public authority, utility company or the Association is responsible.

Section 8.6. Temporary Completion Easement. All lots shall be subject to an easement of ingress and egress for the benefit of the Declarant, its employees, subcontractors, successors and assignees, over and upon the front, side and rear yards of the Property as may be expedient or necessary for the construction, servicing and completion of dwellings and landscaping upon Lots adjacent to the Property, provided that such easement shall terminate twelve (12) months after the date such Lot is conveyed to an Owner by Declarant.

ARTICLE IX

USE AND OCCUPANCY

All Lots and dwellings shall be used and occupied for single family residence purposes only. No Lot or dwelling may be used for commercial, institutional or other non-residential purpose if such involves the attendance or entry of non-residents upon the Lot or otherwise diminishes the residential character of the Lot or neighborhood all as more specifically set forth in Section 10.10 below. This prohibition shall not apply to the use of any Lot as a site for a construction office trailer or sales office trailer by Declarant.

ARTICLE X

USE RESTRICTIONS

Section 10.1. Nuisances. No noxious or offensive activity shall be carried on upon by any Lot, nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood. Such nuisance shall include, but not be limited to, the use of power tools generating noise which can be heard beyond the boundary of a Lot between the hours of 9:00 p.m. and 7:00 a.m. No Owner shall permit anything to be done or kept on his Lot which would result in the cancellation of insurance on any other residence or which would be in violation of any law.

Section 10.2. Development Activity. Notwithstanding any other provisions herein, Declarant and its successors and assigns, shall be entitled to conduct on the Property all

activities normally association with and convenient to the development of the Property and the construction and sale of dwelling units on the Property.

Section 10.3. Temporary Structures. No structure of a temporary character, including, without limiting the generality thereof, any trailer, tent, shack, garage, barn, motor home or mobile home or other outbuilding, and no prefabricated or relocated structure shall be used on any Lot at any time as a residence, either temporarily or permanently. This restriction shall not be interpreted to limit the right of Declarant to use trailers or outbuildings as sales offices, construction offices or material storage facilities.

Section 10.4. Signs. No sign or emblem of any kind may be kept or placed upon any Lot or mounted, painted or attached to any Unit, fence or other improvement upon such Lot so as to be visible from public view except the following:

a. For Sale Signs. An Owner may erect one (1) sign not exceeding 2' x 3' in area, fastened only to a stake in the ground and extending not more than three (3) feet above the surface of the ground advertising the property for sale.

b. Declarant's signs. Signs or billboards may be erected by the Declarant.

c. Political Signs. Political signs may be erected upon a Lot by the Owner of such Lot advocating the election of one or more political candidates or the sponsorship of a political party, issue or proposal provided that such signs shall not be erected more than ninety (90) days in advance of the election to which they pertain and are removed within fifteen (15) days after the election.

Section 10.5. Campers, Trucks, Boats, Commercial Recreational Vehicles. No Boat, trailer, or recreational vehicle, commercial vehicle, camper or camper truck shall be parked, stored or left (a) on any part of a Common Area, Recreational Amenities or Wetland Areas, (b) in any driveway or (c) on any other part of a Lot unless the same are fully enclosed within the garage located on the Lot, or are kept behind the front line of the house on the Lot and behind a fence no less than Six (6) feet in height and which fully screens them from the view of the public walking by such Lots. In the event a Lot Owner is required by his or her employer to bring a commercial vehicle home, then that Lot Owner must obtain a waiver of this restrictive covenant from the Board of Directors pursuant to such requirements as the Board of Directors shall deem appropriate. Any automobile, motorcycle or truck shall be parked, stored or left wholly within the garage located upon the Lot, except to the extent a residence does not have a garage, in which case such vehicle may be parked but not stored or left in the driveway. This restriction shall not apply

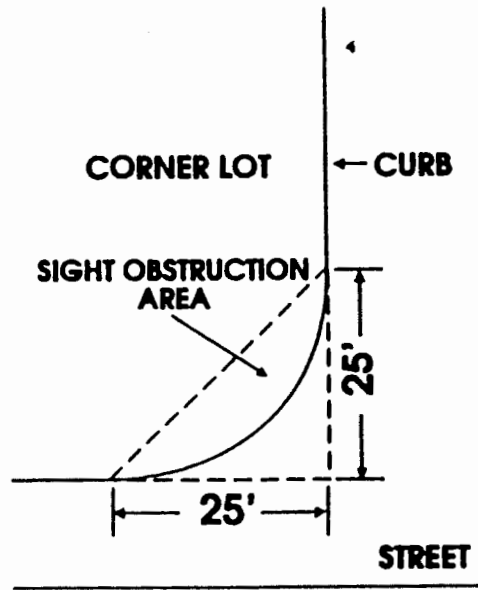
to sales trailers, construction trailers, or other vehicles which may be used by Declarant and its agents and contractors in the conduct of their business. No boat, truck, trailer, camper, recreational vehicle or tent shall be used as a living or dwelling area within the Property. No repairs to or maintenance of any automobile or other vehicle shall be made or performed on any driveway in front, side or back yard of a Lot. Such repair and maintenance work shall be confined to the garage and done in such a manner as to allow the garage door to be closed.

Section 10.6. Pets, Livestock and Poultry. No animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot, except for cats, dogs or other generally recognized household pets of a reasonable number, provided that they are not kept, bred, or maintained for any commercial purpose; and provided further, than no more than three (3) adult animals may be kept on a single Lot except for newborn offspring of such household pets which are under nine (9) months of age. All such animals shall be kept in strict accordance with all local laws and ordinances (including leash laws) and in accordance with all rules established by the Kingston Forest Homeowner's Association.

Section 10.7. Garbage and Refuse Disposal. No Lot shall be used or maintained as a dumping ground for rubbish other than during the time a house is being constructed thereon. Trash, garbage or other waste shall not be kept except in sanitary containers. All equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition. No cans, bags, containers or receptacles for the storing or disposal of trash, garbage, refuse, rubble or debris shall be stored, kept, placed or maintained on any Lot where visible from any street except solely on a day designated for removal of garbage and rubbish and on which days only such cans, bags, containers, and receptacles may be placed in front of a residence and beside a street for removal but shall be removed from view before the following day.

Section 10.8. Sight Distance at Intersections. No object or thing which obstructs sight lines at elevations between two (2) and six (6) feet above the roadways within the triangular area formed by the intersecting street curb lines and a line connecting them at points twenty-five (25) feet from the intersection of the street curb lines or extensions thereof (the "Sight Obstruction Area") shall be placed, planted or permitted to remain on any corner lots. The same sight line limitations shall apply on any Lot within ten (10) feet from the intersection of a curb line with the edge of a driveway or alley pavement. No tree shall be permitted to remain within such distances of such intersections unless the foliage line is maintained at sufficient height to prevent obstruction of such sight lines.

[Detail shown on next page]



Section 10.9. Parking. No vehicles, trailer, implements or apparatus may be driven or parked in the Common Areas, Recreations Amenities, Wetland Areas, Right-of-Way Maintenance Areas or on any easement, other than while in use for maintaining such Common Areas, Recreational Amenities or Right-of-Way Maintenance Areas. In order to enhance the aesthetic image of the community and to create a safer community for children, Lot Owners are requested not to park vehicles, trailers, implements or apparatus in the street and whenever possible to park such in the garage or driveway of Lot Owner's property.

Section 10.10. Commercial or Institutional Use. No Lot, and no building erected or maintained on any Lot shall be used for manufacturing, industrial, business, commercial, institutional or other non-residential purposes, except for construction of offices, model homes and sales offices as set forth in Article IX. Nothing in this Section 10.10 shall prohibit an Owner's use of a residence for quiet, inoffensive activities such as tutoring, giving music or art lessons, or in home day care (babysitting), so long as such activities do not materially increase the number of cars parked on the street or interfere with adjoining homeowners' use and enjoyment of their residences and yards.

Section 10.11. Detached Buildings. No detached accessory buildings, included, but not limited to, detached garages and storage buildings, shall be erected, placed or constructed upon any Lot without the prior consent of the ACC. Every outbuilding, inclusive of, but not limited to such structures as a storage building, greenhouse or children's playhouse shall be compatible with the dwelling to which it is appurtenant in terms of its design and material composition. In no instance shall an outbuilding exceed one (1) story in height or have total floor area in excess of ten percent (10%) of the floor area of the main dwelling.

Section 10.12. Fences.

a. Fences in General. No fence or wall shall be erected or maintained on the side yard of any Lot nearer to the street than the front building line of the house. No fences or walls shall be constructed in the front yard of any Lot, except for fences erected in conjunction with model homes or sales offices. All fences constructed require prior written consent of the ACC. Chain link or other similar metal fencing is expressly prohibited, except as and where constructed by Declarant along ditch/canal easements bordering the Property and except that 2" x 4" mesh may be used with split rail fencing to contain animals within the yard. Perimeter fencing and privacy fencing around patios, decks or pools may not exceed six (6) feet in height.

b. Pool Fences. It shall be a requirement within the Property that any pool constructed within the Property, whether above ground or in-ground shall be surrounded by a non-climbable perimeter fence of at least five (5) feet in height and equipped with a self-closing mechanism on all gates. The design for swimming pool and fence construction must be submitted to the ACC for prior approval, and said approval will not be given unless the plans therefore include a perimeter fence in compliance with this section. The minimum fence requirements contained in Section 10.12(a) shall apply to any pool fences constructed within the Property.

Section 10.13. Vegetation. No weeds or vegetation, of any kind whatsoever shall be placed or permitted to accumulate on any Lot or any portion of the Property which would render it unsanitary, unsightly, offensive or detrimental to any property in the vicinity thereof or to the occupants of any property in the vicinity thereof or to the occupants of any property in such vicinity. Grass, hedges, shrubs, vines and mass planting of any type on any Lot or any portion of the Property shall be kept trimmed and shall at regular intervals be mowed, trimmed and cut so as to appear neat and attractive. Trees, shrubs, vines and plants which die shall be promptly removed from the Lot.

Section 10.14. Antennae, Satellite Dishes and Solar Collectors. No Owner may erect or maintain a television or radio receiving or transmitting antenna, satellite dish or similar implement or apparatus, or solar collector panels or equipment upon any Lot unless such apparatus is erected and maintained in such a way that it is screened from public view at a point in the center of the public street right-of-way directly in front of the house erected on such Lot; and no such apparatus shall be erected without the prior written consent of the ACC. The ACC shall have the authority to establish the criteria for properly screening the above from public view.

Section 10.15. Exterior Finish. All exterior walls of all dwellings, garages and approved accessory buildings shall be completely furnished with vinyl siding, wood, stucco, brick, stone, paneling or other material acceptable to the ACC.

Section 10.16. Chimneys. All fireplace flues, smoke stacks and spark arresters shall be completely enclosed and concealed from public view in finished chimneys of materials architecturally compatible with the principle finish material of the exterior walls of the dwelling or otherwise approved by the ACC.

Section 10.17. Clothes Hanging Devices. Clothes hanging devices exterior to a dwelling shall not be visible from outside the Lot.

Section 10.18. Window Treatment. No aluminum foil, newspaper, reflective film or similar treatment shall be placed on windows or glass doors.

Section 10.19. Oil and Mining Operations. No oil drilling, oil development operations, oil refining, quarrying or mining operation of any kind shall be permitted upon or in any Lot, nor shall oil wells, tanks, tunnels, mineral excavations, or shafts be permitted upon any Lot. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any Lot. No tank for the storage of oil or other fluids may be maintained on any of the Lots above the surface of the ground other than commercially marketed propane or natural gas tanks used for outdoor grills or pool or spa heating equipment.

Section 10.20. Mail Boxes. Mail boxes shall only be erected and maintained upon areas determined by the U.S. Postal Service in accordance with the current postal authority standards approved by the ACC. Subject to the foregoing, the design of such mail boxes shall otherwise be approved by the ACC.

Section 10.21. Roof. Exposed Roof surfaces on any principal and/or secondary structures shall be of composition shingles. The ACC shall have the authority to approve roof treatments and materials when in its determination such treatments and materials, in the form utilized will not be a detriment to the quality of the neighborhood.

Section 10.22. Setback Lines. No buildings or other structures, permanent or temporary, habitable or uninhabitable, shall be constructed, placed and maintained closer than twenty-five (25) feet to the minor residential streets or roads upon which they face, no building shall be closer to the interior side lot boundary line than a minimum of five (5) feet provided, however, that combined side yards shall be a minimum of thirteen (13) feet, nor closer to any side street line than a minimum of thirteen (13) feet; provided, however, that no side rear or front setback distance shall be less than the side or front setback lines as shown on the Plat referred to in these restrictions. Provided further, however, that the County of Richland, in its sole discretion, shall have the exclusive right to vary the minimum front, side or rear setback lines as set forth in the Richland County Code book. Where designated on the final plat "typical easements" will require a minimum five (5) feet side yard setback with a combined ten (10) feet side yard setback.

Section 10.23. Water and Sewage Systems. No individual water supply system or sewage disposal system shall be permitted on any Lot, including but not limited to water wells, cesspools or septic tanks.

Section 10.24. Recreational facilities. Recreational facilities such as swing sets, trampolines, swimming pools, basketball goals or sport courts, either permanent or temporary shall not be placed on any Lot without prior written consent of the ACC.

Section 10.25. Unlawful Activity. No unlawful activity shall be conducted on any Lot or in any other part of the Property. Nothing shall be done within the Property that is unreasonable annoyance, inconvenience or nuisance to the residents of the Property, or that unreasonably interferes with the quiet enjoyment by occupants of Lots within the Property.

Section 10.26. Wetland Areas. Certain portions of the Property have been designated as Wetland Areas by the U.S. Army Corps of Engineers ("Corps of Engineer"). Declarant will convey the portion of the Property designated as Wetland Areas to the Association in fee simple title and the Association shall assume all responsibilities with respect to the Wetland Areas. Owners of Lots are hereby put on notice that Wetland Areas will be included within the Common Areas to be owned by the Association which may border on Lots and may not be disturbed or improved in any manner. Without limiting the generality of the foregoing, Owners shall be prohibited from improving, cutting, pruning, disposing of trash, filling, planting, removing of plants, draining or dumping upon any of the Wetland Areas. The Association, unless provided otherwise by laws, applicable rules, ordinance regulations, law or the like, shall be permitted to remove any trash deposited in or blown onto any of the Wetland Areas, but no vegetation or soils may be added thereto without the prior approval of the Corps of Engineers. Failure of Owners of homes in the Kingston Forest Subdivision to adhere to the policies and procedures of the Wetland Areas pertaining to the use, misuses and maintenance of Wetland Areas may result in the implementation of fines or other penalties against violators from Federal or State governmental agencies.

ARTICLE XI

GENERAL PROVISIONS

Section 11.1. Remedies. In the event of any default or violation by any Owner under the provisions of the Declaration, bylaws or rules and regulations of the Association, the Association and any Owner shall have each and all of the rights and remedies which may be provided for in this Declaration, the Bylaws and said rules and regulations, and those which may be available at law or in equity, and may prosecute any action or other proceedings against such defaulting Owner and/or others for enforcement of any lien, statutory or otherwise, including foreclosure of such lien and the appointment of a receiver for the Lot and ownership interest of such Owner, or for damages or injunction, or specific

performance, or for judgment for payment of money and collection thereof, or for any combination or remedies, or for any other relief. No remedies herein provided or available at law or in equity shall be deemed mutually exclusive of any other such remedy. All expenses of the Association in connection with any such actions or proceedings, including court costs and attorney's fees and other fees and expenses, and all damages, liquidated or otherwise, together with interest thereon at the maximum rate permitted by law, but with reference to any Lots financed by FHA insured loans, not in excess of the maximum rate of FHA loans at the time of delinquency, from the due date until paid, shall be charged to and assessed against such defaulting Owner, and shall be added to and deemed part of his respective maintenance assessment (to the same extent as the lien provided herein for unpaid assessments), upon the Lot and upon all of his additions and improvements thereto. Any and all of such rights and remedies may be exercised at any time and from time to time, cumulatively or otherwise, by the Association or any Owner.

Section 11.2. Term and Amendments. The covenants and restrictions of this Declaration shall run with and bind the land for a term of thirty (30) years from the date of this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years each, unless seventy-five percent (75%) of the votes outstanding shall have voted to terminate the covenants and restrictions of this Declaration upon the expiration of the initial 30-year period or any extension thereof, which termination shall be by written instrument signed by seventy-five percent (75%) of the Owners and properly recorded in Richland County, South Carolina. This Declaration may be amended during the first 30-year period by an instrument signed by not less than seventy-five percent (75%) of the Owners and by the Declarant if the Class B Membership has not theretofore terminated, and thereafter by an instrument signed by not less than seventy-five percent (75%) of the Owners. Any amendment must be recorded. Notwithstanding any provisions hereof to the contrary, the Declarant may, at its sole discretion and without consent being required of anyone, modify, amend, or repeal this Declaration at any time prior to the closing of the sale of the first Lot, provided said amendment, modification, or repeal is in writing and properly recorded in Richland County, South Carolina. Declarant further reserves, prior to the closing of the sales of all of the Property, all rights which may be necessary to deal with the Property, including the right to vacate, amend, or modify the plat of subdivision. Amendments shall be subject to prior approval by FHA and VA if any Lot within the Property is encumbered by an FHA or VA mortgage loan.

Section 11.3. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain, in full force and effect.

Section 11.4. Rights and Obligations. The provisions of this Declaration and the Articles of Incorporation and Bylaws and the rights and obligations established thereby shall be deemed to be covenants running with the land and shall inure to the benefit of, and be binding upon, each and all of the Owners and their respective heirs, representatives, successors, assigns, purchasers, grantees and mortgagees. By the

recording or the acceptance of a deed conveying a Lot or any ownership interest in the Lot whatsoever, the person to whom such Lot or interest is conveyed shall be deemed to accept and agree to be bound by and subject to all of the provisions of this declaration and the Articles of Incorporation and Bylaws, whether or not mention thereof is made in said deed.

Section 11.5. Annexation.

a. Additional residential property, Common Areas and Recreational Amenities may be annexed to the Properties only with the consent of two thirds (2/3) of each class of Members.

b. Notwithstanding the above, additional land within the area shown on Exhibit "B" ("Additional Land") including, but not limited to, residential property, Common Areas and Recreational Amenities may be annexed by Declarant without the consent of Members within seven (7) years of the date of this Declaration by recording a Supplemental Declaration of Annexation. Provided, however, that should Declarant elect to improve and develop all or part of the Additional Land, Declarant shall have the right to impose covenants and restrictions which are the same as or similar to or not substantially different to those contained herein on all or part of the Additional Land. Notwithstanding anything contained herein which might otherwise be interpreted to produce a contrary result, this Declaration does not create any charge, lien or other encumbrance or restriction on any part of the Additional Land, or affect in any way the title thereto or any part thereof, nor does this Declaration create an obligation upon Declarant to improve and develop all or any portion of the Additional Land or annex the Additional Land into the Association.

Section 11.6. Miscellaneous Provisions. Any provision of the within Declaration or of the Articles of Incorporation and Bylaws to the contrary notwithstanding, the following provisions shall control:

a. As long as there is Class B Membership, the following actions will require approval of the Federal Housing Administration and the Department of Veterans Affairs as applicable: (1) amendment to this Declaration or the Articles of Incorporation or Bylaws of the Association, (2) mortgaging or dedication of the Common Areas and Recreational Amenities, and (3) dissolution of the Association.

b. The following actions will require notice to all institutional holders of first mortgage liens: (1) abandonment or termination of the Association; or (2) material amendment to the Declaration.

c. Upon the written request of any first mortgagee of a dwelling on a lot, the Association shall furnish to such mortgagee a written notice of any default by the Owner of such dwelling in the performance of such Owner's obligations under the within

providing adequate street lights for the Property. Should such occur, each Owner will be accessed a proportional monthly charge for street lighting service by Mid-Carolina Electric Cooperative. Said monthly charge shall be determined by the South Carolina Public Service Commission, or other regulatory agency, if any (and if none exist then by Mid-Carolina Electric Cooperative) will be billed to the Owners on a pro rata basis as part of the electric utility bill and will be the personal responsibility of each Owner, subject to fluctuation by South Carolina Public Service Commission, or the applicable regulatory agency, if any (and if none exist, then by Mid-Carolina Electric Cooperative). The Association will act as a liaison in matters concerning the street lighting between Owners and Mid-Carolina Electric Cooperative. Neither the Association nor the Declarant will be responsible for the billing and initial installation of the street lights.

Section 11.8. Headings. The headings contained in this Declaration are for reference purposes only and shall not in any way affect the meaning or interpretation of this Declaration.

Section 11.9. Conflicts. In the event of conflict between the terms of this Declaration and any Bylaws, rules, regulations or Articles of Incorporation of the Association, this Declaration shall control.

Section 11.10. Partial Invalidity. The invalidation of any one of these covenants by judgment or court order shall in no way affect any of the other provisions, which shall remain in full force and effect.

IN WITNESS WHEREOF, the Declarant has caused this instrument to be executed on its behalf, attested and its corporate seal to be hereunto affixed as of the day and year first above written.

WITNESS:

DECLARANT:

CENTEX HOMES, A NEVADA
GENERAL PARTNERSHIP

Lisa M. Pak
Debra C. Canney

By: William M. Satterfield
Its: VICE PRESIDENT OF CONSTRUCTION

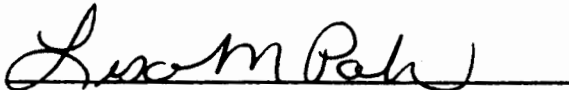
STATE OF SOUTH CAROLINA

COUNTY OF RICHLAND

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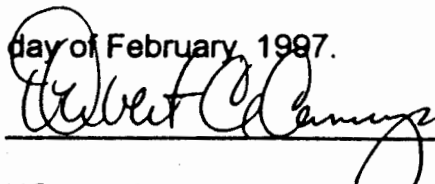
PROBATE

PERSONALLY appeared before me the undersigned witness and made oath that s/he saw the within named CENTEX HOMES, A NEVADA GENERAL PARTNERSHIP, by its above named representative sign, seal and as its act and deed, deliver the within written instrument and that (s)he with the other witness subscribed above, witnessed the execution thereof.


Witness

SWORN to before me this 21st

day of February, 1997.


(Seal)

NOTARY PUBLIC FOR SOUTH CAROLINA

My Commission Expires: 4/20/98

AFTER RECORDING RETURN TO:

Herbert C. Cassell, Jr.
TYLER, CASSELL, JACKSON, PEACE & SILVER, L.L.P.
Post Office Box 11656
1331 Elmwood Avenue, Suite 300
Columbia, South Carolina 29211-1656

EXHIBIT "A"

DESCRIPTION OF PROPERTY

Lots - Phase IA

All those certain piece, parcel and tracts of land with improvements thereon, if any, situate, lying and being in the County of Richland, State of South Carolina and being more specifically shown as lots 1, 3, 6, 7, 8, 9, 10, 11, 12, 14, 16, 40, 41, 42, 43, 44, 45, 47, 48, 50 and 53 on a Plat prepared of Fox Chapel - Phase IA for Galloway Land, Inc., dated November 3, 1994 by Associate Engineers and Surveyors, Inc., and recorded in the office of the Register of Mesne Conveyances for Richland County, South Carolina in Plat Book 55 at Page 5916.

Reference to said Plat being craved for more definite and specific description.

Lots - Phase IB

All those certain piece, parcel and tracts of land with any improvement thereon, if any, situate, lying and being in the County of Richland, State of South Carolina and being more specifically shown as lots 17, 18, 19, 20, 22, 23, 26, 27, 28, 30, 31, 32, 33, 35, 37 and 39 on a Plat prepared of Fox Chapel - Phase IB for Galloway Land, Inc., dated November 3, 1994 by Associate Engineers and Surveyors, Inc., and recorded in the office of the Register of Mesne and Conveyances for Richland County, South Carolina in Plat Book 55 at Page 6093.

Reference to said Plat being craved for more definite and specific description.

Easements - Phases IA and IB

The grant hereof specifically includes (but is not limited to) all of Grantor's rights, title and interest in and to all "Landscaping Easement/Sight Triangle" and "15' Landscape Easement" over and across each of lots 1 and 53 as shown on the above referenced Plat recorded in the office of the Register of Mesne Conveyances for Richland County, South Carolina in Plat Book 55 at page 5916, together with any and all other real property rights, title and interest of Grantor directly or indirectly pertaining to the aforesaid lots, easements, rights of way and entrance ways as shown upon each of the aforesaid plats with respect to each of Phases IA and IB.

EXHIBIT "B"

DESCRIPTION OF PROPERTY

Acreage

All that certain piece, parcel and tract of land with improvements thereon, if any, situate, lying and being in the County of Richland, State of South Carolina and being more specifically described as **53.608 acres** on a Boundary Survey prepared for Centex Real Estate Corporation by Power Engineering Company, Inc., dated June 3, 1996, and to be recorded in the Office of the Register of Mesne and Conveyances for Richland County, South Carolina in Plat Book 56 at Page 4972.

Reference to said Plat being craved for more definite and specific description.

STATE OF SOUTH CAROLINA)
COUNTY OF RICHLAND)
DECLARATION OF RESTRICTIONS
FOX CHAPEL
PHASE IA and IB

MAY 24 3 05 PM '95
SHEPHERD CONVEYANCES
CLARK, BAKER

Know All Men By These Presents, that Galloway Land, Inc. is the owner of the following real property shown on a plat of Fox Chapel, Phase IA and IB, prepared for Galloway Land, Inc. by Associated Engineers and Surveyors, Inc. both dated November 3, 1994, and recorded in the office of the RMC for Richland County; Phase IA recorded in Plat Book 55 page 5916, and Phase IB in Plat Book 55 page 6093.

Block A, Lots 1 through 53, inclusive

RECORDED



The said owner (hereinafter referred to as "Declarant") does hereby impose upon said real property the following conditions, restrictions and reservations:

1. Residential Use. No structure shall be erected on any Lot in the subdivision other than one permanent single-family dwelling and detached or attached garage of similar design, and no use shall be made of the Property or of any right or privilege appurtenant thereto, other than for private residential purposes of a single family; provided, however, the Declarant reserves to itself, as well as the right to assign to builders during construction, the right to use one or more of such dwellings as a temporary office, information center or real estate sales office, provided further that no structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation or maintenance of utilities and drainage facilities within the areas provided hereinafter. Any temporary construction used as an administrative, information or real estate sales office shall be promptly removed when it shall cease to be used for such purposes. No other temporary structure or apartment shall be erected upon any Lot.
2. Subdivision of Lots. No Lot in the subdivision shall be subdivided or reduced in size without the written consent of the Declarant, provided, however, that no Lot in the subdivision shall be subdivided or reduced in size so as to have a total area less than the smallest Lot shown on the subdivision Plat referred to above, nor shall any Lot so subdivided leave a residual lot with a total area less than the smallest Lot shown on said plat.
3. Architectural Review. In order to maintain a high-level residential development, to assure that all houses and other structures are of appropriate size and are of harmonious design, properly located in relationship to neighboring structures and adapted to the terrain of each lot, the Declarant hereby retains full architectural control. Accordingly, no building, out-building, fence, wall, garage or structure of any kind or alterations or additions thereto shall be erected or placed on any Lot until the building plans, design and location of such improvement of the Lot and sketch plan showing elevations, shall have been submitted to the Declarant, or a committee designated by it, for approval as to conformity of size, type and quality as to harmony with the topography and existing structures. Such approval shall not be unreasonably withheld and shall be given or denied in writing within thirty (30) days of submission of plans, specifications, and other required data, and in any event, if no suit to enjoin construction has been commenced prior to completion of such improvements, approval shall be conclusively deemed to have been granted.

4. Responsibility for Drainage. Any consequence of alteration to the natural grade of any Lot shall be the responsibility of the Purchaser of said Lot, Said Purchaser shall also be responsible for the channeling of any surface water in accordance with the approved grading Plan of the subdivision.
5. Minimum Square Footage. No residence containing less than One Thousand Four Hundred (1,400) square feet of heated space shall be erected on any lot.
6. Sewage Disposal. All sewage disposal shall be by central sewer service approved by appropriate governmental utility authorities, or by public utility at such rates as shall be established by governmental authority or approved by the South Carolina Public Service Commission.
7. Mailbox. The placement, design, type and color of any mailbox and its support must be approved by the Declarant.
8. Fencing. Any fencing placed upon any Lot shall be constructed of high grade exterior treated wood and shall be no more than six (6) feet in height.
9. Setback Lines. No building shall be closer than twenty-five (25) feet to the minor residential streets or roads upon which they face, no building shall be closer to the interior side lot boundary line than a minimum of five (5) feet provided, however, that combined side yards shall be a minimum of 13 feet, nor closer to any side street line than a minimum of thirteen (13) feet; provided, however, that no side, rear or front setback distance shall be less than the side or front setback lines as shown on the Plat of Fox Chapel referred to in these restrictions. Provided, further, however, that the County of Richland, in its sole discretion, shall have the exclusive right to vary the minimum front, side, or rear setback lines as set forth in the Richland County Code book. Where designated on the final plat "typical easements" will require a minimum five (5) feet side yard setback with a combined ten (10) feet side yard setback.
10. Nuisance and Unlawful Activities. No noxious or offensive activity or other thing shall be had or done upon any Lot in the subdivision, and nothing shall be had or done thereon which constitutes or becomes an annoyance or nuisance to the neighborhood, or constitutes an unsanitary condition. No hogs, goats, poultry, cows, horses or other such animals shall be allowed or kept on any lot in the subdivision. Nothing shall be done or allowed, and no conditions or situation shall be permitted on any such Lot which shall constitute, cause or become a nuisance or otherwise detract from the desirability of the neighborhood as a residential section.
11. Antennas. No radio or television transmission or reception towers, antennas, or discs shall be erected on a Lot other than customary antenna which shall not extend ten (10) feet above the top roof line ridge of the house. In no event shall freestanding transmission or receiving towers or discs or dishes be permitted.
12. Temporary Structures. No tent, shack, trailer, boat, camper or motor home or temporary structure of any kind shall be erected, kept, had or allowed at any time on any Lot or parked on

the street or road adjacent thereto; provided, however, that a camper, boat or motor home may be parked in an enclosed garage where such recreational vehicle is not visible from the street, or adjoining homes, and also provided such garage meets all requirements for buildings and improvements contained elsewhere in these restrictions. No clothesline may be erected or maintained on any Lot. All rubbish, garbage and trash shall be kept in closed cans, or other suitable containers, which shall be placed and kept in such manner as to be out of sight from the street, or neighbor's house. The Lot, property and premises shall be kept clean at all times.

13. Easements. Public utility easements are reserved over each Lot in the subdivision along the side, rear and front ten (10) feet. Other Water, sewer and storm drainage easements as are shown on the recorded plat referred and are hereby declared in these restrictions. Lots backing up to the unnamed tributary or Hollingshed Creek shall have a thirty-five (35) feet rear yard drainage easement. Within these easements, no structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation or maintenance of utilities, or which may change the direction or flow of drainage channels. The Declarant hereby reserves the right to create and impose additional easements or rights-of-way over unsold Lots or for street, drainage and utility installation purposes by the recording of appropriate instruments, and such shall not be construed to invalidate any of these covenants. Declarant may grant written easements to specific utility providers within the easement areas described herein as reserved for utilities, and such easements shall be effective whether recorded before or after the sale of a lot affected thereby.

14. Signs. No sign of any kind shall be displayed to the public view on any Lot except one (1) sign of not more than five (5) square feet advertising the property for sale or rent, or signs approved by Declarant and used by a builder to advertise the property during construction and sales period. During the initial period of construction on the vacant lots, no sign shall be placed on any Lot unless the style and design thereof shall have been approved in writing by the Declarant, its successors or assigns. Provided, however that nothing contained in this paragraph shall prohibit Declarant from approving a sign or signs larger than provided in this paragraph for use at model home sites or at the entrance to the development.

15. Restrictions. These restrictions shall run with the land and be binding upon all parties, persons, firms or corporations claiming under them until January 1, 2024. Thereafter said restrictions shall automatically be extended for successive periods of ten (10) years unless changed in part or in whole by written instrument signed by a majority of then record owners of the Lots.

16. Enforcement. If any person shall violate, or attempt to violate, any of these restrictions, any person owning real property in the subdivision may enforce these restrictions by proceedings at law or in equity, to either recover damages or restrain such violation. All costs and expenses incurred in the successful enforcement of any restriction, including a reasonable attorney's fee, shall thereupon become due and payable by the losing party.

17. Variances. In the event of the unintentional violation of any of the building line restrictions or minimum Lot residence square foot requirements as set forth herein, Declarant reserves the

right, by and with the mutual written consent of the owner or owners for the time being of such Lot, to change the building line restriction set forth in this instrument; provided, however, that such change shall not be in violation of any provisions of the zoning provisions of the County of Richland.

18. Invalidation of any one of these restrictions by judgement or court order shall in no way affect any other provisions, which shall remain in full force and effect.

19. The term "Declarant" as used herein shall mean Galloway Land, Inc. and shall also refer to its successors and assigns.

IN WITNESS WHEREOF, the undersigned has hereunto set its hand and seal this 24th day of May, 1995.

WITNESSES:

GALLOWAY LAND, INC. (SEAL)

Kenneth Hanson
Gaila Kerick

[Signature]

STATE OF SOUTH CAROLINA)
COUNTY OF RICHLAND)

PROBATE

PERSONALLY appeared before me the undersigned witness who, on oath, deposes and says that (s)he saw the within-named Galloway Land, Inc. by its duly authorized officer, sign, seal and as said corporation's act and deed, deliver the within-written Declaration of restrictions, and that (s)he with the other witness subscribed above witnessed the execution thereof.

SWORN to before me this 24th day of May, 1995

Kenneth Hanson

Gaila Kerick (L.S.)

Notary Public for South Carolina

My Commission Expires: 10-12-03

12/5/94