

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 Development, and of levying, collecting and disbursing the assessments and charges hereinafter created.

6. The Developer has caused or will cause to be incorporated under the laws of the State of South Carolina, as a nonprofit corporation, BELFAIR HOMEOWNERS' ASSOCIATION, INC., for the purpose of exercising the aforesaid functions, among others.

NOW, THEREFORE, the Developer 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 Development 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. The following words when used in this Declaration or any Supplemental Declaration (unless the context shall prohibit) shall have the following meaning:

(A) "Architectural Control Board", "Architectural Control Committee" or "ACB" shall mean and refer to that Board formed by the Developer or the Association as provided herein and which operates in the manner described herein and in the Architectural Control Board Guidelines.

(B) "Assessments" shall have the meaning specified in Article VI, Section 3.

(C) "Association" shall mean and refer to the BELFAIR HOMEOWNERS' ASSOCIATION, INC., its successors and assigns. Additional Associations shall mean and refer to any other separate Association owning common property within The Properties. Sub-Associations shall mean and refer to any other Associations which own property within The Properties, all of the members of which are members of the BELFAIR HOMEOWNERS' ASSOCIATION, INC. and which operates under authority granted by the BELFAIR HOMEOWNERS' ASSOCIATION, INC. "Master Association" shall mean and refer to any Association to which or from which is delegated specific authority, the members of which are common to all of the Other Associations or Sub-Associations to which or from which the

authority is granted.

(D) "Board of Directors of the Association" or "Board of Directors" shall mean and refer to those persons, appointed or elected for a specific period as provided herein and in the By-laws of the Association, who are granted the authority to operate the Association for the benefit of all of the members.

(E) "By-laws of the Association" or "By-laws" shall mean and refer to the By-laws of the Association.

(F) "Common Areas" shall mean and refer to those areas of land shown as "Common Areas" on any subdivision map of The Properties and or by conveyance to the Association by the Developer. 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 Board of Directors of the Association 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 SIZE, SHAPE, OR COMPOSITION OF THE COMMON AREAS, 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.

(G) "Declaration" shall mean and refer to this Declaration of Covenants, Conditions, Restrictions, Easements, Charges, and Liens, and any amendment or modification hereof.

(H) "Developer" and "Declarant" 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.

(I) "Development", "Project", and "Community" shall mean and refer to the Phase(s) of BELFAIR described in the attached Schedule "A" and/or any additional phases of BELFAIR to be developed and constructed by the Developer.

(J) "Dues" or "Assessments" shall mean and refer to the funds to be paid to the Association by each lot Owner or Co-owners, annually or as otherwise provided herein, the amount and installment schedule, if any, of which are to be established and amended by the Board of Directors of the Association from time to for the purposes and under the conditions further defined herein.

(K) "Dwelling", "Dwelling unit" "Dwelling home" shall mean and refer to a single family dwelling unit approved by the Developer or the Architectural Review Authority, when empowered.

(L) "Lot" shall mean and refer to any plot of land with such improvements as may be erected thereon, shown on any subdivision map of The Properties, but shall not include Common

Areas as herein defined.

(M) "Master Plan", "Sketch-Plan" or "map of The Properties" shall mean and refer to the drawing 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 Association and the Common Area is subject to continuing revision and change at the discretion of the Declarant present and future references to the "Master Plan" shall be references to the latest revision thereof. In addition, no implied reciprocal covenants or obligation to develop shall arise with respect to lands that have been retained by the Declarant for future development. **THE DECLARANT OR ANY OWNER SHALL NOT BE BOUND BY ANY MASTER PLAN, USE OR RESTRICTION OF USE SHOWN ON ANY MASTER PLAN, AND MAY AT ANY TIME CHANGE OR REVISE SAID MASTER PLAN OR NOT DEVELOP THE REMAINING UNDEVELOPED PROPERTY OR COMMON AREA OR AMENITIES.**

(N) "Member" shall mean and refer to all those Owners or Co-owners who are members of the Association, as provided in Article IV hereof.

(O) "Owner" and "Co-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 Lots, but shall not mean or refer to any mortgagee or subsequent holder of a mortgage unless and until such mortgagee or holder has acquired title pursuant to foreclosure or any proceedings in lieu of the foreclosure. Said term "Owner" or "Co-owner" shall also refer to the heirs, successors, and assigns of any Owner or Co-owner.

(P) "Plans", "Specifications", "Elevations", "Exterior Designs", and such like terms shall mean and refer to and encompass the plans, specifications, elevations and designs as well as set backs, locations, etc. contained hereinafter in this Declaration for BELFAIR, by the Developer or in the Architectural Control Guidelines, when established.

(Q) "Review Authority" or "Architectural Review Authority" shall mean and refer to any appointee of the Developer, while the Developer retains all or part of the rights and authority for architectural control in the Community, and the Board of Directors of the Association or the Architectural Control Board when empowered by the Developer or by the Board of Directors of the Association after transfer of these rights to the Association by the Developer or by the conveyance of the last Lot owned by the Developer.

(R) "Structure" shall mean and refer to any thing or object, trees and landscaping, the placement, size, shape, color, height and quality of which upon any Lot may affect the appearance of such Lot, including by way of illustration and not limitation, any building or part thereof, garage, porch, shed, greenhouse, or bathhouse, coop or cage, covered or uncovered patio, swimming Pool, fence, curbing, paving, wall or hedge, landscaping, well, septic system, sign,

appurtenance, signboard or any temporary or permanent; and any 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 which affects or alters the flow of any waters in any natural or artificial stream, wash or drainage channel from, upon or across any Lot; and any change in the grade of any Lot of more than six (6) inches.

(S) "The Properties" shall mean and refer to all property including Lots and Common Areas, as are subject to this Declaration, and which are described in Schedule A together with any additional phases that may be developed pursuant hereto.

ARTICLE II USES OF PROPERTY

Section 1. Residential use of Property. Unless otherwise designated in a supplemental declaration filed by the Developer for additional Phases of 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, or the Association, when empowered; provided, however, that nothing herein shall prevent Developer or any builder of homes in the Community approved by Developer from using any Lot owned by Developer or such builder of homes for the purpose of carrying on business related to the development, improvement and sale of property in the Community; and provided, further that, to the extent allowed by applicable zoning laws, private offices may be maintained in a dwelling located on any of the Lots so long as it is approved, subject to any and all conditions established by that approval, by the Developer, its designee, or by the Association, when empowered.

Section 2. Structure. Except as prohibited by law, no Structure, shall be erected, stored, placed, replaced or altered on any Lot unless approved by the Developer or by the Architectural Review Authority, when empowered, including but not limited to 47CFR 1.4000 concerning radio and television antennae, for aesthetic reasons or otherwise. The Developer or the Architectural Review Authority, when empowered, shall have complete discretion to approve or disapprove any Structure. The Developer or the Architectural Review Authority, when empowered, may issue from time to time Guidelines 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.

Section 3. Subdivision of Lot. One or more Lots or parts thereof may be subdivided or

combined only if approved by the Developer or by the Architectural Review Authority, when empowered.

Section 4. Livestock. 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 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 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 Development by other Lot Owners or Co-owners.

Section 5. Offensive Activities. No noxious, offensive or illegal activities shall be carried on upon any Lot, nor shall anything be done thereon which is or may become an annoyance or nuisance to the Owners or Co-owners of other Lots in the Community.

Section 6. Trailers, Trucks, Buses, Boats, Trailers, 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 streets within the Community, in the Common Area or on any Lot, without the approval of the Developer or the Association, when empowered.

Section 7. Changing Elevations. No Lot Owner or Co-owner shall excavate or extract earth for any business or commercial purpose. No elevation changes shall be permitted which materially affect surface grades of surrounding Lots, unless approved in writing by the Developer or the Architectural Review Authority, when empowered.

Section 8. Sewage System. Sewage disposal shall be through the municipal system or, a type approved by appropriate State and local agencies.

Section 9. Water System. Water shall be supplied through the municipal system or, a type approved by appropriate State and local agencies.

Section 10. Utility Facilities. Developer reserves the right to approve the necessary construction, installation and maintenance of utility facilities, including but not limited to water,

telephone and sewage systems, which may be in variance with these restrictions.

Section 11. Waiver of Setbacks. Building Lines and Building Requirements. The Developer, or the Architectural Review Authority, when empowered, 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 Lot Owner in the RICHLAND County Register of Deeds. A document executed by the Developer or Architectural Review Authority, when empowered, shall be, when recorded, conclusive evidence that the requirements hereof have been complied with. The Developer, or the Architectural Review Authority, when empowered to do so by the Developer, may also, from time to time as they see fit, handle violations of setbacks and boundary lines by amending the Plat. Nothing contained herein shall be deemed to allow the Developer or the Architectural Review Authority, when empowered, to waive violations which must be waived by an appropriate governmental authority.

Section 12. Easement for Utilities. The Developer reserves unto itself, its permittees, its successors and assigns, a perpetual, alienable, and reasonable easement and right of ingress and egress, over, upon, across and under each Lot and Common Area for the erection, maintenance, installation, and use of electrical and telephone wires, cables, conduits, sewers, water 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. The Developer further reserves an easement on behalf of itself, its permittees, its successors and assigns, over six (6') feet along 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 for utility installations, utility rights of way and maintenance thereof, as well as drainage installations, drainage rights of ways, and maintenance thereof. These easements and 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 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 or Co-owners 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 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. Neither the Developer or the Architectural Review 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 Review Authority. All such easements and rights shall be shown and designated on the applicable plat or plans of the development. 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 or Co-owners of the Lot and structure to convey marketable title. The rights and easements conferred and reserved herein shall be appurtenant to and in gross for the benefit of the Developer, its permittees, successors and assigns to serve any property whether or not subject to this Declaration.

Section 13. Underbrush, Finished Yards, Etc. In the event that the Owner or Co-owners of any residential Lot permits any underbrush, weeds, etc. to grow upon any Lot, or fails to maintain landscaping and grass in a manner in keeping with the Development, as determined by the Developer or an Architectural Review Authority, when empowered, from time to time as they see fit, the Developer or the Architectural Review Authority, when empowered, may issue a Ten (10) Day Compliance Demand requiring the Owner or Co-owners of the residential Lot to bring the Lot into keeping with the Development, as determined by the Board of Directors, and if the Owner or Co-owners of the residential Lot fails to comply within ten (10) days of such notice, the Developer or the Association may enter upon the Lot, bring the Lot into keeping with the development, as provided above, and charge the Owner or Co-owners of the residential Lot for all of the costs thereof, including the costs of collection and, when levied by the Association's Board, an Association collection fee, and such cost shall become an assessment and lien upon the Lot. Any entry by the Association under the terms of this Section shall not be deemed a trespass, and an easement in gross 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 or its 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.

Section 14. Miscellaneous.

(a) Time is of the essence with regard to this Declaration of restrictions, covenants, limitations, and conditions.

(b) In the event of a violation or breach of any of the Declaration by an Owner, Co-owner or agent, or agent of such Owner(s) or Co-owner(s) of Lots, the Developer, Board of Directors of the Association, Owners, or Co-owners of Lots in the subdivision or any of them, jointly or severally, shall have the right to proceed at law or in equity to compel a compliance to the terms hereof or to prevent the violation or breach in any event. In addition to the foregoing, the Developer, its successors, and assigns, or the Board of Directors of the Association, when empowered by the Developer, shall have the right wherever there shall have been built on any Lot in the subdivision any Structure which is in violation of the Declaration, to enter upon the property where such violation exists and summarily abate or remove the same at the expense of the Owner or Co-owners, if after thirty (30) days written notice of such violation, it shall not have been corrected by the Owner or Co-owners.

(c) Any such entry and abatement or removal shall not be deemed a trespass. 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. Should the Developer employ counsel to enforce the Declaration, or the reasonable rules, regulations and policies established or amended by 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 Developer's counsel and other reasonable costs of collection, including, when levied by the Associations Board, an Association collection fee, shall be paid by the Owner or Co-owners of such Lot or Lots in breach thereof.

(d) 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.

(e) 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 but all remaining covenants, conditions, reservations and restrictions not so expressly held to be void shall continue unimpaired and in full force and effect.

(e) 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.

(f) 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 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 or Co-owners of Lots affected by the same has been recorded, agreeing to change the same in whole or in part: provided, however, that all proper rights and other rights reserved to the Developer shall continue forever to the Developer, its successors and assigns, except as otherwise herein provided.

ARTICLE III

CONSTRUCTION IN ACCORDANCE WITH PLANS AND SPECIFICATIONS

Section 1. General. All Structures of every type and description shall be constructed, stored placed or erected, Maintained, replaced and improved within the Development in accordance with provisions in this Article III together with other applicable provisions of this Declaration, which shall include the approval of all Plans and Specifications and Site and Landscape Plans thereof by the Developer or Architectural Review Authority, when empowered, and other appropriate or applicable governmental entity prior to the commencement of any excavation, construction, repair or replacement or any attempt to make any exterior change to a Structure or the landscape.

ARTICLE IV

MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

Section 1. Membership. Every person or entity who is an Owner or Co-owner of any Lot shall be a member of Association. Membership shall be appurtenant 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.

Class A. Class A members shall be all Owners or Co-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 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 Co-owners of that Lot. In no event shall more than one (1) vote or a partial vote be cast with respect to any such Lot. When more than one person holds such an interest or interests in a Lot, it shall be the responsibility of those Owners to provide the Developer or the Association with written notification, with the signatures of all of 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.

Class B. The sole Class B member shall be the Developer. The Class B member shall be entitled to cast four (4) votes for each Lot for which it holds title. When a purchaser of an individual Lot or Lots takes title thereto from the Developer he becomes a Class A member. Class B membership shall end with the closing of the last lot owned by the Developer or at such times as Developer voluntarily relinquishes these voting rights.

Section 3. Transfer of Control of the Association by the Developer At any point prior to the conveyance of the last Lot which gives the Developer voting control of the Association, the Developer may, at its sole discretion, transfer the control of the Association to its members. Transfer of control shall be effective upon either the recordation of a document giving such notice 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 by giving notice to all attending Owners and Co-owners at a duly called meeting for that purpose. Control of the Association shall automatically occur (a) upon the loss of voting control by the Class B membership, or (b) on _____, 20__, whichever occurs earlier; however, as provided herein, control of the Architectural Control Board and its authority as well as other authority exempted herein shall not pass to the Association, unless conveyed voluntarily by the Developer, until the conveyance of the last lot owned by the Developer.

ARTICLE V PROPERTY RIGHTS IN THE COMMON AREAS

Section 1. Member's Easements of Enjoyment. Subject to the provisions of Section 3 of this

Article V, 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 Areas, and such easement shall be appurtenant to and shall pass with the title to every Lot.

Section 2. Title to Common Areas. On or before the conveyance of the first Lot owned by the Developer, the Developer or its successors and assigns will (a) convey to the Association, by limited warranty, fee simple title to the Common Areas, 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 of record prior to the purchase of the property by the Developer, none of which will make the title unmarketable, or (b), in the event such title is not conveyed prior to the sale of the first such lot, the Developer shall deliver to the Association a cash escrow, letter of credit, or bond payable to the Association in an amount sufficient to complete construction of the Common Areas. 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 Areas 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 Areas 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 Areas.

Section 3. Extent of Member's Easements. The rights and easements created hereby shall be subject to the following:

- (a) The right of the Developer, and of the Association, when empowered, to dedicate,

transfer, or convey all or any part of the Common Areas, with or without consideration, to any governmental body, district, agency, or authority, or to any utility company, provided that no such dedication, transfer, or conveyance shall adversely affect the use of the Common Areas by the members of the Association.

(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 Areas, 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 Areas for the operation and maintenance of the Common Areas.

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

(d) The right of the Developer or the Association, as provided in its Bylaws, to suspend enjoyment rights of any member for any period during which any assessment remains unpaid. The Association shall also have the right to establish reasonable rules, regulations and policies for the proper management of the Association and the promotion of the health, safety and welfare of the residents of the Community, and to fine any member or members and to suspend the enjoyment rights of any member or members, family member, licensee, employee or guest, etc. of a member for an appropriate period of time to be determined on a case by case basis by the Board of Directors for any infraction of its published rules and regulations by that Owner or Co-owner, family member, licensee, employee, or guest, etc.; provided, however, that the right of a member to ingress and egress over the roads and/or parking areas shall not be suspended. Violation of suspension by any of these parties may, at the Board of Directors sole discretion, result in an additional fine in an amount to be determined by the Board of Directors. Any fine levied by the Board of Directors or a duly appointed entity against an Owner or Co-owner for an infraction of that Owner or Co-owner, Owner's or Co-owner's family member, licensee, employee, or guest, etc. shall be the responsibility of that Owner or Co-owner and shall become a continuing lien on the Lot of the member or members.

(e) The right of the Association, in accordance with the law, its Articles of Incorporation and Bylaws, to borrow money for the purpose of improving Common Areas and in pursuance thereof to mortgage the same.

Section 4. Delegation of Rights of Enjoyment. Any Owner or Co-owner may delegate, in accordance with the Bylaws of the Association, his right of enjoyment to the Common Areas 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 or Co-owner shall at all times be responsible for and liable for the actions of that Owners or Co-owners, family, tenant, invitee, guest or licensee, employee, etc., and shall further be responsible for the paying of any fines 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 rules shall become a continuing lien on the Lot of the member or members.

Section 5. Additional Structures. Neither the Association nor any Owner or Co-owner or group of Owners or Co-owners shall, without the prior written approval of the Developer, so long as the Developer owns one (1) Lot in the Community, or the Architectural Review 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 in 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 AREAS AND FACILITIES AND COVENANT FOR DUES THEREFORE

Section 1. Completion of Common Areas by Developer.

The Developer will complete the construction of the streets, roadways, entrances, and signage for the development as shown on any plat of the Development, and all streets and roadways shall be dedicated for public use.

Section 2. Operation and Maintenance of Common Areas.

The Association at its sole cost and expense, shall operate and maintain the Common Areas

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 utility bills and other such requisite services in connection with the maintenance of such entrance ways.

Section 3. Dues, Liens, and Personal Obligations Therefore and Operation Maintenance of Common Areas Solely by the Association.

(a) Each and every Owner or Co-owner of any Lot or Lots within the properties, 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 annual dues or charges, assessments, and fines levied by the Association for non-compliance with this Declaration, the Bylaws 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, such dues and fines to be fixed, established, and collected from time to time as herein after provided. Also all fines, dues and assessments, together with such interest thereon, and other costs of collection; including Association collection fees, and allowable attorney fees and court costs, thereof as are herein after provided, shall be a charge on the land and shall be a continuing lien upon the Lot or Lots against which such fines, dues or assessments are made levied. Such fines, dues or assessments, together with such interest thereon, and other costs of collection; including Association collection fees, and allowable attorney fees and court costs, thereof as are herein after provided, shall also be the personal obligation of the Owner or Co-owners of each Lot or Lots at the time when the fines, dues or assessments fall due. Co-owners of any lot shall share in the obligation of any other Co-owner of that lot and shall be jointly and severally liable for any fines, assessments, dues or charges, reasonable cost of collection by the Association, attorney fees and court costs that are attributable to that lot.

(b) The dues, assessments and fines levied by the Association shall be used exclusively for the purposes of the general operation of the Association and the promotion of the health, safety, and welfare of the residents of the development, and in particular for the improvement and maintenance of the Common Areas 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, and all other obligations or debts incurred by the Association therein, all of which obligations the Association hereby assumes in accordance with (a) above.

Section 4. Amount and Payment of Annual Dues.

(a) Until January 1 of the year immediately following the conveyance of the first lot to an Owner, the maximum annual assessment shall be _____ dollars (\$) per lot.

(1) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased each year not more than 5% above the maximum assessment for the previous year without a vote of the membership.

(2) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased each year above 5% by a vote of two-thirds (2/3) of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose. membership.

(3) The Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

(b) Consistent with (a) above, the Board of Directors of the Association shall at all times fix the Association's budget and the amount of the annual dues at an amount sufficient to pay the cost of the reasonable operation of the Association, the maintenance and operation of the Common Areas, including the funding of reserves, the collection and use of which is defined under this Declaration and the Association's By-laws, consistent with the responsibilities of the Association for the repair, replacement and operation, and the performing of the maintenance required to be performed by the Association, and the payment of the indebtedness and other obligations of the Association. The amount of the annual dues shall be uniform for each Lot shown on a recorded plat.

(c) At the time of the closing of a Lot owned by the Developer, if the assessment for that year has been paid by the Developer, that portion of the annual assessment that is attributable to the balance of the year shall be collected and paid to the Developer. Special assessments for cash flow shortages and capital improvements, when levied, shall be the responsibility of the Owner or Co-Owners of record on the date that the special assessment is authorized by the Association membership or by the Board of Directors of the Association.

(d) So long as the Developer owns one Lot, the Developer shall have the option of approval of any portion of the budget. So long as the Developer owns one (1) Lot, the Developer may also choose the option of either paying the assessments attributable to the Lots owned by the Developer at the time that the assessments are due or as adjusted for the incorporation of additional lots, or of paying the expenses of the Association not paid by other assessments, so

long as the responsibilities of the Association within the approved budget are properly met. Any amount paid by the Developer which is in excess of the amount due from the Developer for assessments for lots owned by the Developer during any given year, at the option of the Developer, shall be considered a loan to the Association, repayable under reasonable terms, which shall be approved by the Board of Directors of the Association.

(e) The Developer or Board, when empowered, shall also create an annual budget and fix the date of commencement, installment schedule, if any, and amount of all dues, annual or special assessments against each Owner or Co-owner of a Lot at least thirty (30) days in advance of the initial (or only) payment due date, and shall, at that time, prepare a roster of the Owner or Co-owners of Lots and dues or assessments applicable thereto, which shall be kept in the Office of the Association and shall be opened to inspection by any Owner or Co-owner. A copy of the annual budget and written notice of each annual or special assessment shall be sent to every Owner or Co-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 annual or special assessment.

(f) The annual assessment shall be paid in full by each Owner on January first of each respective year after the filing of this Declaration, or on such other date as the Developer may designate, and upon closing of each Lot sale by the Developer, dues shall be prorated to the date of closing. The amount of the annual assessment for each year in which the Developer has a voting majority on January first shall be, unless this authority is transferred to the Association by the Developer, determined by the Developer and shall be an amount adequate to meet the responsibilities of the Association. After the voluntary transfer of control to the Association by the Developer or upon the conveyance of the last Lot owned by the Developer, the annual assessment shall not be increased by the Association by an amount greater than five percent (5%) of the annual assessment of the previous year, without the affirmative casting of 2/3 of the class A and Class B votes.

(g) Except as otherwise stated herein, the exact amount, commencement date and installment schedule, if any, of the annual dues shall be fixed by the Board of Directors of the Association. The Board shall have the right to adjust the amount and installment schedule or levy Special Assessments without membership approval as provided herein for the purpose of meeting the budgetary obligations of the Association and in times of an unexpected cashflow shortfall.

(h) The Association shall, upon demand at any time, furnish to any Owner or Co-owner liable for any dues or assessments, a certificate in writing signed by an officer of the Association, setting forth whether said dues have been paid. Such certificate shall be in recordable form and

shall be conclusive evidence of payment of any dues 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.

(i) This Section shall not be amended as provided in Article IX, Section 5, to eliminate or substantially impair the obligation to fix the dues or assessments at any amount sufficient to properly operate the Association, maintain and operate the Common Areas and perform the maintenance required to be performed by the Association under this Declaration.

Section 5. Reserve Fund: Separate Assessment of Owners At the time of acquiring title to a lot or lots from the contractor who completes the residential improvements on the property, each owner acquiring such title shall deposit with the Association a reserve fund payment in a sum to be determined from time to time by the Association to provide for a reserve fund for the obligations of the Association. Such reserve fund payment shall in no way be considered a prepayment of the annual dues or assessment fee. Such reserve fund payments shall be used solely for the purposes specified in Section 3 (b) above, as determined from time to time by resolution of the Board of Directors of the Association, after the cessation of the Class B Membership of the Developer, as specified in Article IV, Section 2 of this Declaration.

Section 6. Assessments for Budgetary Shortfall. In addition to the annual dues, the Board of Directors Association may, at its option, draw from the appropriate reserve funding as provided in the By-laws or levy, in any year, an assessments (which must be fixed at a uniform rate for all Lots, subject to the provisions of Section 3(a)) applicable to that year only, to cover any unexpected shortfall in the cashflow of the Association. Said Assessment shall not require the approval of the membership.

Section 7. Paid Professional Manager. The Board of Directors of the Association 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 Areas and in the discharge of the Association's duties throughout the Community.

Section 8. Effect of Nonpayment of Fines, Dues or Ad Valorem Taxes or Assessments for Public Improvements by Association:

(a) Remedies of the Association: Nonpayment of fines, dues or Assessments. Any fines, dues or assessments not paid within thirty (30) days after the due date shall bear interest from the

due date at the rate of sixteen percent (16.0) per annum or the highest rate allowed by law whichever is higher. Said interest shall be charged at the discretion of the Association's Board of Directors. In addition, the Association shall have the right to charge an Association collection fee or late charge on any fine, assessment or installment thereof which shall not have been paid by its due date. In the event that the Association chooses an installment schedule for the method of payment for an annual or a special assessment or as a method of allowing an Owner or a Co-owner to pay past due assessments or fines, and in the event that an Owner's or a Co-owner's payment is deemed to be delinquent, the Association shall have the right to accelerate and immediately make due the balance of the assessment due from that Owner or all of the Co-owners of that Lot for that year. The Association may bring an action at law against the Owner or Co-owners personally obligated to pay the same or foreclose the lien created herein against the property in the same manner as prescribed by the laws of the State of South Carolina for the foreclosure of mortgages and may seek a deficiency judgment, and interest, all costs of collection, including Association collection fees, reasonable attorney's fees for representation of the Association in such action or foreclosure and allowable court costs shall be added to the amount of such fines, dues or assessments. No Owner or Co-owner may waive or otherwise escape liability for the fines, dues or assessments 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 fines, dues or assessments provided for herein. No disagreement on the part of any Owner or Co-owner with respect to, the annual Association budget; the amount or installment schedule for any annual assessment; any change to the amount or installment schedule for the annual assessment; the rules, regulations, or policies established or amended by the Board of Directors of the Association; the actions or lack of action on the part of the Developer or the Association; the purpose for any special assessment for capital repair or improvement agreed upon by the required number of members of the Association; or the amount or purpose of any Special Assessment for budgetary reasons not requiring the members approval shall be reason for any Owner or Co-owner to fail to pay any fine, fees, dues or assessment at the time that it is due.

(b) Remedies of the Association: Nonpayment of Ad Valorem Taxes or Assessments for Public Improvements by 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 for public improvements to the Common Area, which default shall continue for a period of six (6) months, each Owner or Co-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 development. If such sum is not paid by the Owner or Co-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 or Co-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 or Co-owner.

Section 9. Subordination of the Lien to Mortgages. The liens provided for herein shall be subordinate to the lien of any mortgage or deed of trust. 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 mortgage or deed of trust, pursuant to a foreclosure thereof or any proceeding in lieu of foreclosure thereof, shall extinguish the lien of such fines, costs, dues or assessments as to the payment thereof which becomes due prior to such sale or transfer but shall not relieve any Owner or Co-owners in possession of a Lot prior to such foreclosure sale or deed of trust from any personal obligation defined herein for the payment of fines, costs, dues or assessments. No such sale or transfer shall relieve such Lot Owner or Co-owner from liability for any dues or 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 mortgage or deed of trust.

Section 10. Exempt Property. The following properties subject to this Declaration shall be exempt from the dues, assessments, charges, and liens created herein: (a) All Common Areas, as defined in Article I, Section 1 hereof. Notwithstanding any provision herein, no Lots shall be exempt from said liens.

ARTICLE VII ARCHITECTURAL CONTROL

Section 1. Improvements.

(a) As long as the Developer owns one (1) Lot in the Community, the Developer shall retain the right to establish the ACB, to appoint its members, to grant variances to, publish and amend the Architectural Control Guidelines for the Community and to approve or disapprove all plans and specifications 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 Review Authority or to an appropriate entity of the Developer's choosing. After the closing of the last lot owned by the Developer, the Guidelines and the Architectural Control Committee shall be established or amended and Architectural Control Board members 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 when an Architectural Review Authority is empowered by the developer or the Board of Directors of the Association, 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 or committee designated by the Developer or the Architectural Review Authority, when appointed as defined herein.

Section 2. Architectural Control Committee

When established by the Developer or by the Board of Directors of the Association, once authorized, the Architectural Control Committee shall be composed of three (3) or more representatives. Notwithstanding anything herein to the contrary, for so long as Developer owns at least one (1) Lot in the Community, should the Developer delegate any of this authority to an Architectural Review Authority or another appropriate entity, the Developer may, at its sole option, approve or disapprove any plans and specifications approved or rejected by this Architectural Review Authority or other entity for the construction of initial improvements on any Lot provided that these initial improvements are approved by any the appropriate governmental regulatory authority. Such written approval by the Developer shall operate and have the same effect as approval by the Architectural Review Authority to which this authority was delegated.

Section 3. Procedures.

(a) Unless waived by the Developer or the Architectural Review Authority or unless provided differently in the Architectural Control Guidelines, in accordance with Section 1 above, any person desiring to make any improvements, alteration or changes described in Section 1 above

shall submit at least two (2) sets of plans and specifications, including the plot plan, showing the nature, kind, shape, height, materials and location of the same, with any other required documentation requested by the Developer or Architectural Review Authority to the Developer or the Architectural Review Authority, or other appropriate party or committee which shall evaluate, approve or disapprove such plans and specifications in light of the purpose of this Article. Any owner may appeal the decision of the developer or the Architectural Review Authority through the processes set up for appeal in the Architectural review Guidelines. An aggrieved Lot Owner may appeal to the Architectural Review Authority appeal the final decision of the Architectural Review Authority to the Developer through the processes set forth in the Architectural Review Guidelines.

(b) The Developer, or the Architectural Review 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 Review Authority from time to time. The Developer or the Architectural Review Authority, may at its option, when empowered, employ outside professional services for initial review and may pay them accordingly for this service. The charging of fees and the hiring of professionals for this purpose by the Architectural Review 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 A VARIANCE WITH RESPECT TO ANY OF THE ARCHITECTURAL CONTROL BOARD GUIDELINES, WHEN ESTABLISHED, SHALL NOT IN ANY WAY BE CONSTRUED TO SET A PRECEDENT FOR APPROVAL, ALTER IN ANY WAY THE PUBLISHED ARCHITECTURAL CONTROL BOARD GUIDELINES, WHEN ESTABLISHED, OR BE DEEMED A WAIVER OF THE DEVELOPER'S OR OF THE ARCHITECTURAL REVIEW 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 of approval or disapproval as defined herein, approval of such plans and specifications 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 and specifications, as approved, and any conditions attached to any such approval.

(d) Upon approval by the Committee, the Developer or Architectural Review Authority may, at its option, require the Lot Owner or Co-owners to make a compliance deposit in an amount to be determined by the Developer or Architectural Review Authority. The amounts and Conditions of any Compliance deposit established by the Architectural Review Authority shall be approved by the Board of Directors of the Association. The setting of an amount as a compliance deposit or a 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 and specifications which are to be or have been approved within the Community. 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 Control Guidelines. Nothing herein shall be deemed to waive or limit in any way any other remedies of the Developer, including those to insure compliance with the Architectural Control Guidelines, or any Lot Owner or Co-owner under this Declaration or at law.

(e) The Developer, in its sole discretion, may require that plans and specifications submitted to the Developer or the Architectural Review Authority pursuant to this Declaration contain plans for a sidewalk to be located near the road on which the dwelling home faces, and near the side street of the dwelling home, if such dwelling home is located on a corner Lot. This shall not be construed as a requirement of the Developer to provide for sidewalk construction, and failure to require sidewalk construction for some Lots shall not preclude the requirement of sidewalk construction for other Lots, nor shall the requirement of sidewalk construction for some Lots require the requirement of sidewalk construction for all Lots.

(f) NEITHER DEVELOPER, NOR ANY OTHER MEMBER OF AN ARCHITECTURAL REVIEW AUTHORITY, SHALL BE RESPONSIBLE OR LIABLE IN ANY WAY FOR THE DEFECTS IN ANY PLANS OR SPECIFICATIONS APPROVED BY THE DEVELOPER OR THE ARCHITECTURAL REVIEW AUTHORITY, NOR FOR ANY STRUCTURAL DEFECTS IN ANY WORK DONE ACCORDING TO SUCH PLANS AND SPECIFICATIONS APPROVED BY THE DEVELOPER OR ARCHITECTURAL REVIEW AUTHORITY. FURTHER, NEITHER THE DEVELOPER, THE ASSOCIATION, ARCHITECTURAL REVIEW 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 REVIEW AUTHORITY PROVIDED FOR IN THIS DECLARATION. EVERY PERSON WHO SUBMITS PLANS AND SPECIFICATIONS TO THE DEVELOPER OR THE ARCHITECTURAL REVIEW AUTHORITY FOR APPROVAL AGREES, BY SUBMISSION OF SUCH PLAN AND SPECIFICATIONS, AND EVERY OWNER OR CO-OWNER OF ANY LOT AGREES, THAT HE WILL NOT BRING ANY ACTION OR SUIT AGAINST DEVELOPER, ASSOCIATION, ITS BOARD MEMBER OR OFFICERS, OR ANY MEMBER OF THE ARCHITECTURAL REVIEW 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. NEITHER THE DEVELOPER, ASSOCIATION OR THE ARCHITECTURAL REVIEW AUTHORITY SHALL BEAR RESPONSIBILITY FOR THE REPAIR OR REPLACEMENT OF ANY LANDSCAPING, SPECIAL GRADING, OR STRUCTURE PLANTED OR CONSTRUCTED WITHIN A PROSCRIBED EASEMENT, WHETHER PLANTED OR CONSTRUCTED INTENTIONALLY OR INADVERTENTLY AND WHETHER APPROVED OR NOT BY THE DEVELOPER OR THE ARCHITECTURAL REVIEW AUTHORITY.

ARTICLE VIII

EXTERIOR MAINTENANCE, REASONABLE ACCESS AND MAINTENANCE OF COMMON AREAS

Section 1. Exterior Maintenance. Each Owner or Co-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. In the event that the Owner or Co-owner neglects or fails to maintain his Lot and/or the exterior of his or her dwelling in BELFAIR, the Association shall may provide such exterior maintenance as provided above. Provided, however, that the Association shall first

give written notice to the Owner or Co-owners of the specific items of the exterior maintenance or repair that the Association intends to perform and the Owner or group of Co-owners shall have twenty (20) days from the date of mailing of 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 or Co-owners 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 Board of Directors of the Association, in its sole discretion, or an entity authorized to do so by the Board of Directors of the Association. In order to enable the Association to accomplish the foregoing, there is hereby reserved to the Association the right to unobstructed access over and upon each Lot at all reasonable times to perform maintenance as provided in this Article.

In the event the Association performs such exterior maintenance; repair or replacements, the costs of such maintenance, replacement or repairs together with all costs of collecting from the owner or Co-owner the cost of such maintenance, replacement or repairs established herein shall be added to and become a 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, Co-owner or group of Co-owners or the family, guests, employees, lessees, or invitee(s) of any Owner or Co-owner, then the Association may perform such maintenance, repair or replacement at such Owner's or Co-owner's sole cost and expense, and all costs thereof, together with any fines 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 or Co-owners is subject and shall become a lien against the Lot of such Owner or Co-owners. Each Owner or Co-Owner is responsible for the actions of and the compliance with these documents and the established rules regulations and policies of the family, guests, lessees, employees or invitee(s) of that Owner or Co-owner and shall further be responsible for the paying of any fines levied for that non-compliance.

Section 2. Access at Reasonable Hours. For the purpose of performing its function under this or any other Article of the Declaration, and to make necessary surveys in connection therewith, the Association, its duly authorized agent and employees, or the developer during the period of development, shall have the right to enter upon any Lot at reasonable hours, on any day except Sunday or holidays, upon reasonable prior notice.

Section 3. Maintenance of Common Areas. The Association, depending upon the

responsibility as assessed under this Declaration, shall maintain Common Areas. However, should the Association, decide to transfer any portion or all of the Common Areas to governmental authority, as it has the rights so to do, such duty to maintain same shall cease as of that portion so transferred.

Section 4. Emergency Access. There is hereby granted to the Association, its directors, officers, agents and employees and to any Manager employed by the Association as provided for in Section 7 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 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, Owners or Co-owners 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 project.

ARTICLE IX 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 or Co-owners of any land subject to this Declaration, and the irrelative legal representatives, heirs, successors, and assigns.

Section 2. Notice. Any notice required to be sent to any member or Owner under the provision of this Declaration shall be deemed to have been properly sent when personally delivered or mailed, post paid, to the last known address of the person who appears as that person authorized to receive notice and to vote on the records of the Association at the time of such mailing. It shall at all times be the responsibility of any lot Owner or Co-owners to keep current with the Association, the name and address of the person authorized to cast the vote assigned to that lot and to receive notification from the Association as to any meetings, assessments, fines, or infractions of the Association's rules, regulations, and policies, etc., which the Association may be required to send from time to time. 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 or all of the

Co-owners of a lot. Such certificate shall be deemed valid until revoked by a subsequent certificate.

Section 3. Enforcement. Enforcement of these covenants and restrictions shall be by any proceeding at law or in equity against any person or persons violating or attempting to violate any covenant or restriction, either to restrain violations or to recover damages; and failure by the Developer, Association or any Owner or Co-owners to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of a right to do so thereafter. These covenants may also be enforced by the Architectural Control Board.

Section 4. 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 5. Amendment. With respect to the minimum square footage requirements in the Development, 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 Control Guidelines, 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 two thirds (2/3) 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 this 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 development, 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 as the same may be amended from time to time.

Section 6. Amendment Prior to Sale by Developer. At any time prior to the closing of the first sale of Lots by 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.

ARTICLE X

ADDITIONAL MATTERS DEALING WITH PHASED DEVELOPMENT

Section 1. Annexation of Additional Phases and Creation of a Master Association. The Developer shall have the right to annex additional Phases and Common Areas into the Properties 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 may create a 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, with the agreement of any other Associations which are then a part of that Master Association and the affirmative vote of 2/3 of the votes that can be cast by the Class A and Class B members of this Association.

Section 2. Voting Rights. As each phase, if any, is added to the development, the Lots comprising such additional phase shall be counted for the purpose of voting rights.

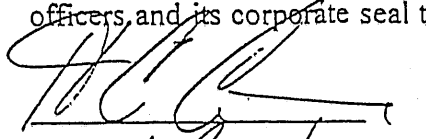
Section 3. Binding Effect. This Declaration shall inure to the benefit of and be binding upon the parties hereto, and the purchasers of Lots, their heirs, personal representatives, successors and assigns.

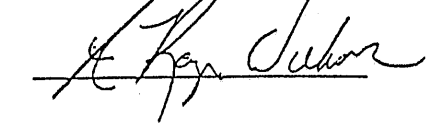
ARTICLE XI

NOTIFICATION

All correspondence to the Association shall be made, until a change of address is made by a supplemental filing in the Office of the R.O.D., in care of THE MUNGO COMPANY, INC., 441 WESTERN LANE, IRMO, SOUTH CAROLINA 29063.

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 written.





THE MUNGO COMPANY, INC.

BY: 

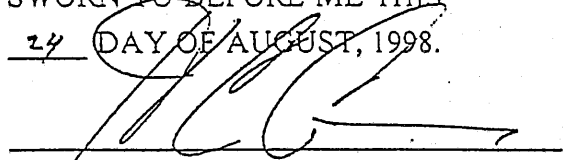
M. STEWART MUNGO
ITS PRESIDENT

STATE OF SOUTH CAROLINA)
COUNTY OF RICHLAND)

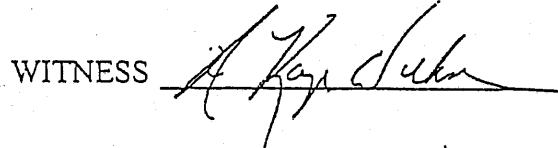
PROBATE

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
24 DAY OF AUGUST, 1998.



NOTARY PUBLIC FOR SOUTH CAROLINA
MY COMMISSION EXPIRES: 12/18/05

WITNESS 

SCHEDULE "A"

All those certain pieces, parcels or lots of land, with the improvements thereon, if any, situate, lying and being in the County of Richland, State of South Carolina, being shown and delineated as Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, and 34 on a plat of BELFAIR - PHASE ONE prepared by Belter & Associates, Inc. dated April 11, 1998 last revised August 18, 1998, and recorded in the Office of the R.M.C. for Richland County in Plat Book 158, at Page ~~675~~ ⁶⁷⁵; 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.

DERIVATIONS:

TRACT A containing 51.10 acres; TRACT B containing 51.10 acre: Deed from Mary K. Brown, Leila F. Koon, Sheena Dale Koon, and Jane Laraine Koon Cooper to THE MUNGO COMPANY, INC. dated April 8, 1997, and recorded April 10, 1997 in the Office of the ROD for Richland County in Deed Book D1375, at page 284.

TMS: 4200-2-20

TRACT D containing 6.33 acres: Deed from M. STEWART MUNGO and STEVEN W. MUNGO to THE MUNGO COMPANY, INC. dated August 24, 1998 and recorded August 24, 1998 in the Office of the R.O.D. for Richland County in Record Book 158, at page 676.