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STATE OF SOUTH CAROLINA )  
COUNTY OF RICHLAND )

DECLARATION OF COVENANTS,  
RESTRICTIONS, EASEMENTS, CHARGES,  
AND LIENS FOR WATERFORD

96-276



PAID

THIS DECLARATION of Covenants, Restrictions, Easements, Charges and Liens for WATERFORD is made this the \_\_\_\_\_ day of SEPTEMBER, 1996 by THE MUNGO COMPANY, INC., a corporation organized and existing under the laws of the State of South Carolina, hereinafter referred to as "Developer":

RECITALS

1. The Developer is the owner of the real property described in Schedule A of this Declaration, and desires to develop thereon a Development together with common lands and facilities for the sole use and benefit of the Owners of the homes to be located in such complex.

2. The Developer has or may acquire additional real property which it may desire to develop as additional phases of such Development or as a separate Development as provided herein which Developer may incorporate as additional phases of this development and bring same under this Declaration of Covenants, Restrictions, Easements, Charges, and Liens for WATERFORD.

3. The Developer is desirous of maintaining design criteria, location, plans and construction specifications, and other controls to assure the integrity of the development.

4. Each purchaser of a Lot or dwelling home in WATERFORD will be required to maintain and construct dwelling homes in accordance with the design criteria contained herein.

5. The Developer desires to provide for the preservation of the value and amenities in such development and for the maintenance of such common lands and facilities, and to this end, desires to subject the real property described in Schedule A, to the covenants, restrictions, easements, charges, and liens, hereinafter set forth, (and referred to hereinafter as "The Declaration"), each and all of which is and are for

the benefit of said property and each Owner thereof.

6. The Developer has deemed it desirable, for the efficient preservation of the values and amenities in such community, to create an agency to which will be delegated and assigned the powers of maintaining and administering the Development, administering and enforcing the covenants and restrictions and levying, collecting and disbursing the assessments and charges hereinafter created.

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

NOW, THEREFORE, the Developer declares that the real property described in Schedule A, annexed hereto and forming a part hereof, 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) "Association" shall mean and refer to the WATERFORD HOMEOWNERS' ASSOCIATION, INC., its successors and assigns.

(b) "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 or other Developments that may be developed pursuant hereto.

(c) "Common Areas" shall mean and refer to those areas of land shown as "Common Areas" on any subdivision map of the properties or by any other means so designated. Such areas are intended to be devoted to the common use and enjoyment of members of the Association as herein defined and are not dedicated for use by the general public.

(d) "Lot" shall mean and refer to any plot of land with such improvements as may be erected thereon intended and subdivided

for dwelling home use, shown on any subdivision map of the properties, but shall not include Common Areas as herein defined.

(e) "Owner" shall mean and refer to the record owner, whether one 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 terms "Owner" shall also refer to the heirs, successors, and assigns of any Owner.

(f) "Developer" shall mean and refer to THE MUNGO COMPANY, INC., a Corporation organized and existing under and pursuant to the laws of the State of South Carolina, its successors and assigns, in the development of the properties.

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

(h) "Development", "Project", and "Community" shall mean and refer to the Phases of WATERFORD described in the attached Schedule "A" and/or any additional phases of WATERFORD or any other Development governed by this Declaration to be developed and constructed by the Developer.

(i) "Plans", "Specifications", "Elevations", "Exterior Designs", and such like terms shall refer to and encompass the plans, specifications, elevations and designs as well as set backs, locations, etc. contained hereinafter in this Declaration for WATERFORD.

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

## ARTICLE II

### USES OF PROPERTY

Section 1. Residential use of Property. All Lots shall be used for single-family residential purposes only, and no business or business activity shall be carried on or upon any Lot at any time, except with the written approval of the Architectural Control Committee; provided, however, that nothing herein shall prevent

Developer or any builder of home in WATERFORD 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 WATERFORD; and provided, further that, to the extent allowed by applicable zoning laws, private offices (provided such private office does not increase traffic in the subdivision) may be maintained in dwelling located on any of the Lots so long as (a) such use is incidental to the primary residential use of the dwelling, and (b) no employees, other than domestic cleaning services, report to such office.

Section 2. Walls and Fences. No fence or wall shall be erected, placed or altered on any Lot nearer to any street than the minimum building setback line unless the same be a retaining wall of masonry construction which does not in any event rise above the finished grade elevation of the earth embankment so retained, reinforced or stabilized, except that this restriction shall not apply to fences or walls which have been approved by the Architectural Control Committee pursuant to Article VII below. The exposed part of retaining walls shall be made of clay brick, natural wood or stone, stucco, or veneered with brick or natural stone, and the finished side of fences must be the side exposed to view by the public. Posts and braces shall be placed so that they are on the inside of the fence, and out of view of the public. **CHAIN LINK FENCES ARE PROHIBITED** except when the Architectural Control Committee gives prior written approval.

Section 3. Subdivision of Lot. One or more Lots or parts thereof may be subdivided or combined to form one single building Lot when approved, in writing, by Developer, and in such event the building line requirements provided herein shall apply to such Lots as re-subdivided or combines and side easements as shown on the plat shall be moved to follow the new side line so that the easement would run along the newly established side line.

Section 4. Terraces: Eaves and Detached Garages. For the purpose of determining compliance or noncompliance with the foregoing building line requirements, terraces, stoops, eaves, wing-walls, and steps extending beyond the outside wall of a structure shall not be considered as a part of the structure. No side yard shall be required

for any detached garage or accessory outbuilding which has been approved, in writing, by the Architectural Control Committee; provided, all such detached structures must be to the rear of the main dwelling and must not encroach upon the Lot of an adjacent Owner.

Section 5. Obstructions to View at Intersections. No part of any structure nor the lower branches of trees or other vegetation shall be permitted to obstruct the view at street intersections.

Section 6. Delivery Receptacles and Property Identification Markers. The Architectural Control Committee shall have the right to approve the location, color, size, design, lettering and all other particulars of receptacles for the receipt of mail, newspapers or similarly delivered materials, and of name signs for such receptacles, as well as property identification markers. All such receptacles shall conform and be maintained specifically in accordance with the approved design. Any replacement shall be an exact replica from the supplier designated by the Architectural Control Committee.

Section (7) Use of Outbuilding and Similar Structures. No structure of a temporary nature (unless approved in writing by the Architectural Control Committee) shall be erected or allowed to remain on any Lot, and no trailer, camper, shack, tent, garage, barn or other structure of a similar nature shall be used as a residence, either temporarily or permanently; provided, this Section shall not be construed to prevent the Developer or builders approved by the Developer, and those engaged in construction from using sheds, construction trailers, or other temporary structures during construction. All outbuildings, including but not limited to dog houses, shall be approved by the Architectural Control Committee, and the Architectural Control Committee shall be solely responsible for determining the appropriateness of such outbuildings, and can deny approval based solely on aesthetic concerns.

Section 8. 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, provided that they are not kept, bred or maintained for any commercial purpose. Such household pets must not constitute a nuisance or cause unsanitary conditions, 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.

Section 9. 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 of other Lots in WATERFORD.

Section 10. Signs. No advertising signs, billboards, political signs, "for sale by owner" signs, security signs, landscape signs, garage sale signs, or "for sale" signs shall be erected on any Lot. This restriction shall not apply to signs used to identify and advertise the subdivision as a whole, nor to signs for selling Lots and/or houses during the development and construction period, provided such signs are approved by the Architectural Control Committee, and provided such signs are removed within ten days after occupancy of the house. Also, the provisions of this Article shall not apply to notices required to be posted in accordance with law or government regulation.

Section 11. Aesthetics, Nature Growth, Screening Underground Utility Service. After sale of a lot by the Developer, trees which have a diameter in excess of six (6") inches measured two (2') feet above ground level, shall not be intentionally destroyed or removed except with the prior written approval of the Architectural Control Committee of the landscape plan. Landscaping on new dwelling homes must be completed within thirty days after occupancy as a residence. No clotheslines shall be erected on any Lot. No white rocks (painted or otherwise) and no Statuary shall be permitted on any Lot. Garbage cans, basketball goals, and equipment, shall be screened to conceal them from view of neighboring Lots and streets. All residential utility service and lines to residences shall be underground.

Section 12. Antennae. No radio or television transmission or reception towers or antennae shall be erected on any structure or within the property without the prior written approval of the Architectural Control Committee. In no event shall free standing transmission or receiving towers, or satellite dishes be permitted without approval by the Architectural Control Committee.

Section 13. 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 or adjoining Lots. In addition, no vehicle of any kind may be kept, stored or parked on any nonpaved area of a Lot or adjacent Lot. Notwithstanding the foregoing, passenger automobiles may be parked in driveways, if the number of vehicles owned by Owner exceeds the capacity of the garage. The foregoing will not be interpreted or construed or applied to prevent the temporary nonrecurrent parking of any licensed vehicle, boat or trailer for a period not to exceed 48 hours upon any Lot.

Section 14. Garbage and Refuse Disposal. No Lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste shall not be kept except in sanitary containers designed for that purpose which are screened from public view. All equipment for the storage or disposal of such waste material shall be kept in a clean and sanitary condition. If such litter or other materials is found on any Lot, the same will be removed by the Owner of such Lot, at the Owner's expense, upon written request of the Association.

Section 15. Changing Elevations. No Lot 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 Architectural Control Committee.

Section 16. Sewage System. Sewage disposal shall be through the municipal system or, a type approved by appropriate State and local agencies.

Section 17. Water System. Water shall be supplied through the municipal system or, a type approved by appropriate State and local agencies.

Section 18. 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 19. Model Homes. Developer, as well as any builder of homes in WATERFORD, shall have the right to construct and maintain model homes on any of the Lots. "Model Homes" shall be defined as

those homes used for the purpose of inducing the sale of other homes within the Properties.

Section 20. Driveways and Entrance To Garage. All driveways and entrances to garages shall be concrete or other substance approved in writing by Developer or by the Architectural Control Committee and of a uniform quality. Garage doors shall be closed except when they are in use.

Section 21. Waiver of Setbacks, Building Lines and Building Requirements. The Developer or Architectural Control Committee may, for good cause, waive violations of the setbacks and building lines provided for in Section 4 of Article III. Such waiver shall be in writing and recorded in the County R.M.C. Office. A document executed by the Developer or Architectural Control Committee shall be, when recorded, conclusive evidence that the requirements hereof have been complied with. The Developer may also handle violations of setbacks and boundary lines by amending the Plat. Nothing contained herein shall be deemed to allow the Developer or Architectural Control Committee to waive violations which must be waived by an appropriate governmental authority.

Section 22. Easement for Utilities. The Developer reserves unto itself, its successors and assigns, a perpetual, alienable, and reasonable easement and right of ingress and egress, over, upon, and 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 successors and assigns, over six 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 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 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 of such adjacent Lot. The Developer also reserves the right to any Easements shown on the recorded subdivision plat, any revised and recorded subdivision plat, and any loan survey of any lot governed by these restrictions so long as such survey is recorded of record prior to the conveyance by the Developer of the effected lot or lots. Such rights 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. Provided, however, that such easements and rights shall be restricted to the roads, streets, alleys, and easements as 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 in the event that any permanent structure is inadvertently constructed within such easement area. Such right to alter shall be limited to such extent as will allow the Owner of the Lot and structure to convey marketable title. The Developer also reserves an Easement for Landscaping or advertising on any lot or lots whereon such landscaping or advertising was established prior to the conveyance by the Developer of such lot or lots. The easement shall include a reasonable right of access, ingress, and egress for the maintenance thereof. The rights

and easements conferred and reserved herein shall be appurtenant to and in gross for the benefit of the Developer to serve any property whether or not subject to this Declaration.

Section 23. Underbrush, Finished Yards, Etc. In the event that the Owner 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 Board of Directors, the Board of Directors may issue a Ten Day Compliance Demand requiring the Owner of the residential Lot to bring the Lot into keeping with the Development, as determined by the Board of Directors, and if the Owner of the residential Lot fails to comply within ten days of such notice, the Association may enter upon the Lot, bring the Lot into keeping with the development, as determined by the Board of Directors, and charge the Owner of the residential Lot for the costs thereof, provided, however, that such expenses shall not exceed sums to be determined from time to time by the Board of Directors, and such cost shall become an assessment and lien upon the Lot. Any entry by the Association under the terms of this, Section 23, 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. These rights may be assigned by the Developer to the Association, or other like entities.

Section 24. Miscellaneous.

(a) It is agreed that time is of the essence with regard to these restrictions, covenants, limitations, and conditions.

(b) In the event of a violation or breach of any of these restrictions by an Owner or agent, or agent of such Owner, the Developer or 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, shall have the right wherever there shall have been built on any Lot in the subdivision any structure which is in

violation of the restrictions, to enter upon the property where such violation exists and summarily abate or remove the same at the expense of the Owner, if after thirty days written notice of such violation, it shall not have been corrected by the Owner. 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 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 any of the foregoing covenants, conditions, reservations, or restrictions, because of a breach of the same, all costs incurred in such enforcement, including a reasonable fee for Developer's counsel shall be paid by the Owner of such Lot or Lots in breach thereof.

(c) The Developer herein shall not in any way or manner be liable or responsible for any violation of these restrictions by any person other than itself.

(d) 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 shall be binding and run with the land and continue until the first day of

January, 2015, after which time said covenants shall be automatically extended for successive periods of ten years unless an instrument signed by the majority of the then 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, placed or erected within the development in accordance with provisions in this Article III together with other applicable provisions of this Declaration.

Section 2. Dwelling House Defined. A dwelling house refers to a single family dwelling unit of up to three stories in height and an optional basement. Dwelling house is synonymous with dwelling unit or dwelling home.

Section 3. Size of Dwelling Homes and Lot Coverage. All dwelling homes in the Phase(s) shall have a minimum of 1,800 square feet of enclosed dwelling areas as herein defined. Future phases of the Development may have different minimum square footage requirements as determined in ARTICLE IX Section 5 below. The actual ground floor area of the house must not exceed fifty percent of the total Lot area.

Section 4. Placement of Dwelling Homes on Lots. Set back restrictions affecting the Lots in the development are as follows:

(a) Dwelling houses may be constructed no nearer than eight feet to an interior lot line, but in no event shall there be less than sixteen feet between any two Dwelling Homes on adjacent Lots. Dwelling houses may be constructed no nearer than twelve and one half feet to a side street line; however, the Developer, its successors or assigns, reserves the right to alter these side lot line restrictions for the unintentional violation of the same.

(b) A perimeter boundary set back must be maintained at ten feet inside and parallel to the boundary of the development, and no dwelling house shall be located on any Lot nearer to the street on

which the dwelling house faces than thirty five feet. In the event that the set back line as established herein shall conflict with any set back line as shown on any recorded plat of the subdivision, the set back line established herein shall control. The Developer, its successors or assigns, reserves the right to alter the front lot line restrictions for the unintentional violation of the same.

(c) Eaves, overhangs, swimming pools (whether above or below the ground) and storage buildings for related equipment (including but not limited to filters and water pumps) patios, decks, (whether raised, with rails, cement, or of wood, provided they do not have screen walls or roofs) may extend beyond a set back line if approved by the Developer. The dwelling home is to be designed to its site. In passing on the acceptability of a dwelling home, the Architectural Review Committee and/or the Developer will consider plans submitted for dwelling homes on Lots in good faith.

#### ARTICLE IV

##### MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

Section 1. Membership. Every person or entity who is an Owner of any Lot which is subjected by this Declaration to assessment by the Association shall be a member of Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessments.

Section 2. Voting Rights. The Association shall have two classes of voting membership.

Class A. Class A members shall be all Owners excepting the Developer. Class A members shall be entitled to one vote for each Lot in which they hold the interest required for membership by Section 1 above. When more than one person holds such interest or interests in any Lot, the vote attributable to such Lot shall be exercised as such persons mutually determine, but in no event shall more than one vote be cast with respect to any such Lot.

Class B. The sole Class B member shall be the Developer. The Class B member shall be entitled to four votes for each Lot which it holds the interest required for membership under Section (1) of this

Article.

When a purchaser of an individual Lot or Lots takes title thereto from the Developer he becomes a Class A member.

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, 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. The Developer hereby covenants for itself, its successors and assigns, that on or before the conveyance of the last Lot, it will convey to the Association, by general 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. 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 thereon shall at all times be maintained in good repair and condition and shall be operated in accordance with high standards, the maintenance 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 such responsibilities as are accepted by responsible parties, and only for so long as they properly perform.

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, 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, 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, fuel oil 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 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) to the nearest public highway.

(d) The right of 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 suspend enjoyment rights of any 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; 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 shall result in a fine in an amount to be determined by the Board of Directors, not to exceed \$100.00 per infraction, which fine shall become a continuing lien on the Lot of the member.

(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. Parking Rights. Any Owner may delegate, in accordance with the Bylaws of the Association, his right or enjoyment to the Common Areas and facilities to his employees, tenants, invitees, or licensees.

Section 5. Additional Structures. Neither the Association nor any Owner or group of Owners shall, without the prior written approval of the Developer, erect, construct, or otherwise locate any 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.

(a) The Developer will complete the construction of the streets, roadways, entrances, and signage for the development.

(b) The Developer will fulfill all its obligations to complete the construction of all Common Areas at the Developer's sole cost and expense.

#### Section 2. Operation and Maintenance of Common Areas.

(a) 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 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 deemed to covenant and agree to pay to the Association annual dues or charges and assessments for capital improvements, such dues to be fixed,

established, and collected from time to time as herein after provided. Dues and assessments, together with such interest thereon and costs of collection 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 dues or assessments are made. Such dues or assessments, together with such interest thereon and costs of collection thereof as are herein after provided, shall also be the personal obligation of the Owner of each Lot or Lots at the time when the dues or assessments fall due.

(b) The dues levied by the Association shall be used exclusively for the purpose of promoting 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 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, all of which obligations the Association hereby assumes in accordance with (a) above.

Section 4. Amount and Payment of Annual Dues. The Board of Directors of the Association shall at all times fix the amount of the annual dues at an amount sufficient to pay the cost of maintaining and operating the Common Areas and performing the exterior maintenance required to be performed by the Association under this Declaration. The amount of the annual dues shall be uniform for each Lot which has been initially occupied as a dwelling, and each Lot shown on a recorded plat which has not been initially occupied as a dwelling shall have dues in the amount of one half the dues for a Lot which has been initially occupied as a dwelling. The Board shall also fix the date of commencement and amount of the dues against each Lot at least thirty days in advance of such date and period, and shall, at that time, prepare a roster of the Lots and dues applicable thereto, which shall be kept in the Office of the Association and shall be opened to inspection by any Owner. Written notice of the dues shall thereupon be sent to every Owner subject thereto.

The annual dues shall be paid in full on January first of each respective year, commencing January 1, after the filing of this

Declaration, and upon closing of each Lot sale by the Developer, dues shall be prorated to the date of closing. Dues for the year 1996 shall be \$240.00 for each Lot which has been initially occupied as a dwelling, and \$120.00 for each Lot shown on a recorded plat which has not been initially occupied as a dwelling. For the first five years, commencing January 1, 1997, dues shall not increase greater than five percent per year. Additionally, for the first five years, commencing on January 1, after the filing of this Declaration any funds not spent in each budget year and not placed in a reserve replacement account shall be applied toward completion of a capital improvements program to be determined by the Board of Directors and promulgated by regulation. Except as otherwise stated herein, the exact amount of the annual dues shall be fixed by the Board of Directors of the Association.

The Association shall, upon demand at any time, furnish to any Owner liable for any dues, 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.

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

Section 5. Assessments for Capital Improvements. In addition to the annual dues, the Association may levy, in any year, an assessment (which must be fixed at a uniform rate for all Lots, subject to the provisions of Section 3(a)) applicable to that year only, in an amount no higher than the maximum annual dues then permitted to be levied hereunder, for the purpose of defraying, in whole or in part, the cost of any construction or any reconstruction, unexpected repair or replacement of a described capital improvement upon the Common Areas, including the necessary fixtures and personal property relating thereto, provided that such assessment shall have the assent of two-thirds of the votes of each class of members who are voting in person

or proxy at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than thirty days and no more than sixty days in advance of the meeting. The due date of any specified assessment shall be fixed in the resolution authorizing such assessment.

Section 6. 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 to the Association's duties throughout the community.

Section 7. Effect of Nonpayment of Dues or Ad Valorem Taxes or Assessments for Public Improvements by Association:

(a) Remedies of the Association: Nonpayment of Dues or Assessments. Any 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 lower. The Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien created herein against the property in the same manner as prescribed by the laws of the State of South Carolina for the foreclosure of mortgages, and interest, costs and reasonable attorney's fees for representation of the Association in such action or foreclosure shall be added to the amount of such dues or assessments. No Owner may waive or otherwise escape liability for the 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 dues or assessments provided for herein.

(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 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 within thirty (30) days following receipt of notice of the amount due, then such sum shall become a continuing lien on the Lot of the then Owner, his heirs, devisees, personal representatives and assigns, and the taxing or assessing governmental authority may either bring an action at law or may elect to foreclose the lien against the Lot of the Owner.

Section 8. 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 trust, pursuant to a foreclosure thereof or any proceeding in lieu of foreclosure thereof, shall extinguish the lien of such assessments as to the payment thereof which becomes due prior to such sale or transfer. No such sale or transfer shall relieve such Lot 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 9. 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 land or improvements devoted to building use shall be exempt from said assessments, charges and liens.

## ARTICLE VII ARCHITECTURAL CONTROL

Section 1. Improvements. NO building, fence, wall or other structure or planting or landscaping shall be commenced, erected or maintained upon any Lot, nor shall any exterior addition to or 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 harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by an architectural committee (referred to from time to time within this Declaration or the By-Laws as "Architectural Control Board") composed of three (3) or more representatives appointed by the Board (hereinafter referred to as the "Architectural Control Committee"). Provided that nothing herein contained shall be construed to permit interference with the development of the Properties by the Developer so long as said development follows the general plan of development of the Properties previously approved by the appropriate governmental regulatory authority. Notwithstanding anything herein to the contrary, for so long as Developer owns at least one Lot, Developer may approve any plans and specifications rejected by the Board of Directors or the Architectural Control Committee for the construction of initial improvements on any Lot provided the initial improvements are approved by the appropriate governmental regulatory authority. Such approval by Developer shall operate and have the same effect as approval by the Architectural Control Committee or the Board of Directors.

Section 2. Procedures. (a) Any person desiring to make any improvements, alteration or change described in Section 1 above shall submit the plans and specifications therefore, including the plot plan, showing the nature, kind, shape, height, materials and location of the same, to the Board of Directors of the Association or the Architectural Control Committee which shall evaluate such plans and specifications in light of the purpose of this Article. The Architectural Control Committee may charge a review fee of not greater than \$200.00. The Architectural Control Committee may at its option employ outside professional services not to exceed \$200.00 for initial review. Subsequent reviews may require additional fees.

(b) Upon approval by the Architectural Control committee of any plans and specifications submitted pursuant to this Declaration, copy of such plans and specifications, as approved, shall be deposited for permanent record with the Architectural Control Committee and a copy of such plans and specifications bearing such approval, in writing, shall be returned to the applicant submitting the same. Approval for

use in connection with any Lot of any plans and specifications shall not be deemed a waiver of the Architectural Control Committee's 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. Approval of such plans and specifications relating to any Lot, however, 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.

(c) Any approval granted by the Architectural Review Committee shall terminate if construction has not commenced within three hundred sixty five days (365) of the date of the Committee's approval, and all plans must be resubmitted to the Committee for full consideration, as if they were a new application.

(d) Upon approval by the Committee, the Developer or Association may, at it's option, require the Lot Owner to make a compliance deposit in an amount to be determined by the Developer or Association. After completion of Construction the Committee or its appointed agent shall inspect the construction, assign a value to each variance of the construction from the plans as approved, and pay the amount of each variance to the treasurer of the Association. The balance shall be refunded to the Lot Owner. The compliance deposit shall be Two Thousand Dollars until such time as the Developer shall change that amount by regulation, and the Developer reserves the right to waive a compliance deposit by Builders approved by the Developer. Nothing herein shall be deemed to waive any other remedies of the Developer or any Lot Owner under this Declaration or at law.

(e) The Developer, in its sole discretion, may require that plans and specifications submitted to the Architectural Control Committee 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 the Architectural Control Committee, shall be responsible or liable in any way for the defects in any plans or specifications approved by the Architectural Control Committee, nor for any structural defects in any work done according to such plans and specifications approved by the architectural Control Committee. FURTHER, NEITHER DEVELOPER, ASSOCIATION, THE ARCHITECTURAL CONTROL COMMITTEE, 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 ARCHITECTURAL CONTROL COMMITTEE PROVIDED FOR IN THIS DECLARATION. EVERY PERSON WHO SUBMITS PLANS AND SPECIFICATIONS TO THE ARCHITECTURAL CONTROL COMMITTEE FOR APPROVAL AGREES, BY SUBMISSION OF SUCH PLAN AND SPECIFICATIONS, AND EVERY OWNER OR 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 CONTROL COMMITTEE, 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.

#### ARTICLE VIII

##### EXTERIOR MAINTENANCE, REASONABLE ACCESS AND MAINTENANCE OF COMMON AREAS

Section 1. Exterior Maintenance. Each Owner shall be responsible for the exterior maintenance of his dwelling and Lot as follows: painting, replacement and care of roofs, gutters, downspouts, exterior building surfaces, lawn, trees, shrubs, driveways, walks, and other exterior improvements. In the event that the Owner neglects or

fails to maintain his Lot and/or the exterior of his or her dwelling in WATERFORD, the Association shall provide such exterior maintenance as provided above. Provided, however, that the Association shall first give written notice to the Owner of the specific items of the exterior maintenance or repair that Association intends to perform and Owner shall have twenty (20) days from the date of mailing of said notice within which to perform such exterior maintenance himself. The determination as to whether an Owner has neglected or failed to maintain his Lot and/or dwelling in a manner consistent with other Lots and dwellings in WATERFORD shall be made by the Board of Directors of the Association, in its sole discretion. 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 shall be added to and become a part of the assessment to which Lot is subject.

In the event that the Association determines that the need for maintenance, repair or replacement, which is the responsibility of the Association hereunder, is caused through the willful or negligent act of an Owner or the family, guests, lessees, or invitee of any Owner, then the Association may perform such maintenance, repair or replacement at such Owner's sole cost and expense, and all costs thereof shall be added to and become a part of the assessment to which such Owner is subject and shall become a lien against the Lot of such Owner.

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 6 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 4 of Article VIII shall be exercised only during reasonable daylight hours, and then, whenever practicable, only after advance notice to the Owner or 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 of any land subject to this Declaration, and the irrespective 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 member or Owner on the records of the Association at the time of such mailing.

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 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 future phases or sections of the Development, the Developer reserves the right to alter the square footage requirements as set out in ARTICLE III Section 3. Such alterations in square footage requirements shall be made in the Amendment or Addendum described in ARTICLE X Section 1 of this Declaration. No change shall be made in the square footage requirements of any phase once such requirements are filed of record except by Amendment to this Declaration as described herein below. 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 vote of the membership in 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 hereinabove contained in this Declaration shall also be effective in voting changes in this Declaration.

Section 6. Amendment Prior to Sale by Developer. At any time prior to the closing to 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 R.M.C. for the county in which the property is located.

ARTICLE X  
ADDITIONAL MATTERS DEALING WITH PHASED DEVELOPMENT

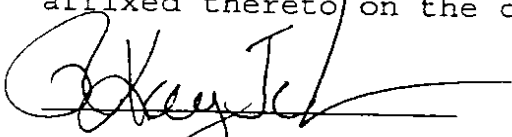
Section 1. Annexation of Additional Phases. The Developer shall have the right to annex additional Phases into the Properties by the filing of an Amendment or Addendum to this Declaration which describes the property annexed, and imposes this Declaration upon such property annexed. All property annexed 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 shall also have the right to annex an additional Development or Developments into the Properties by the filing of an Amendment or Addendum to this Declaration which describes the property annexed, and which describes the extent to which this Declaration is imposed upon such property annexed. Such Amendment or Addendum shall also specify the extent that Common Areas shall be used by Lot Owners of such additional Development or Developments, and the extent to which Lot Owners of such additional Development or Developments shall be members of the Association or otherwise required to contribute to the maintenance and expenses of the Common Areas.

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.

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.

  
Martha Helbeck

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 SEPTEMBER, 1996

Martha Halluk  
NOTARY PUBLIC FOR SOUTH CAROLINA  
MY COMMISSION EXPIRES: 5/8/2000

[Signature]  
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, 34, 35, 36, 37, 38, 39, 40, and 41 on a plat of WATERFORD PHASES 1 & 2 prepared by Civil Engineering of Columbia dated June 5, 1996, and recorded in the Office of the R.M.C. for Richland County in Plat Book 56 Page 4924; reference being made to the said plat which is incorporated herein by reference for a more complete and accurate description; all measurements being a little more or less.

This is a portion of the property conveyed to THE MUNGO COMPANY, INC. by deed of Roy H. Seay, Jr. and Shelly S. Dandridge dated August 25, 1995, and recorded September 1, 1995 in the Office of the RMC for Richland County in Deed Book D1276, at page 815, and a portion of the property conveyed to THE MUNGO COMPANY, INC. (formerly Petworth, Inc.) by deed of George Lander recorded March 3, 1988 in the Office of the RMC for Richland County in Deed Book D879, at page 141, and by Deed of Claudia I. Lander dated March 3, 1988 recorded in the Office of the RMC for Richland County in Deed Book D879, at page 138.

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  
\_\_\_\_\_ DAY OF SEPTEMBER, 1996

\_\_\_\_\_  
NOTARY PUBLIC FOR SOUTH CAROLINA  
MY COMMISSION EXPIRES:

\_\_\_\_\_  
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, 34, 35, 36, 37, 38, 39, 40, and 41 on a plat of WATERFORD PHASES 1 & 2 prepared by Civil Engineering of Columbia dated June 5, 1996, and recorded in the Office of the R.M.C. for Richland County in Plat Book 56 Page 4924; 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.

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BYLAWS OF  
WATERFORD HOMEOWNERS' ASSOCIATION, INC.

ARTICLE I  
NAME AND LOCATION

The name of the Corporation is WATERFORD HOMEOWNERS' ASSOCIATION, INC. , hereinafter referred to as the "Association." The principal office of the Corporation shall be located at 441 WESTERN LANE , IRMO, SOUTH CAROLINA 29063, but meetings of Members and Directors may be held at such places within the state of South Carolina, County of RICHLAND as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 1. "Association" shall mean and refer to the WATERFORD HOMEOWNERS' ASSOCIATION, INC. , its successors and assigns.

Section 2. "The Properties" shall mean and refer to all property including lots and common areas, as are subject to the Declaration as defined herein, and which are described in Schedule A of the Declaration together with any additional phases that may be developed pursuant hereto.

Section 3. "Common Areas" shall mean and refer to those areas of land shown on any subdivision map of The Properties or by any other means so designated. Such areas are intended to be devoted to the common use and enjoyment of Members of the Association as herein defined and are not dedicated for use by the general public.

Section 4. "Lots" shall mean and refer to any plot of land with such improvements as may be erected thereon intended and subdivided for dwelling home use, shown on any subdivision map of The Properties, but shall not include Common Areas as herein

defined.

Section 5. "Owner" shall mean and refer to the record owner, whether one 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" shall also refer to the heirs, successors, and assigns of any Owner.

Section 6. "Developer" shall mean and refer to THE MUNGO COMPANY, INC. , a Corporation organized and existing under and pursuant to the laws of the State of South Carolina, its successors and assigns, in the development of The Properties.

Section 7. "Member" shall mean and refer to all those Owners who are Members of the Association, as provided in Article IV of the Declaration.

Section 8. "Development", "Project", and "Community", shall mean and refer to WATERFORD and/or any additional phases of WATERFORD to be developed and constructed by the Developer.

Section 9. "Plans", "Specifications", "Elevations", "Exterior Designs", and such like terms shall refer to and encompass the plans, specifications, elevations, and designs as well as set backs, locations, etc. contained hereinafter in this document or in the Declaration of Covenants, Restrictions, Easements, Charges and Liens for WATERFORD dated September 24, 1996, and recorded in the Office of the RMC for RICHLAND County in Deed Book D1341, at page 589.

Section 10. "Declaration" shall mean and refer to the Declaration of Covenants, Restrictions, Easements, Charges and Liens for WATERFORD dated September 24, 1996, and recorded in the Office of the RMC for RICHLAND County in Deed Book D1341, at page 589, and also any amendment or modification thereof.

### ARTICLE III

#### PURPOSE AND POWERS OF THE ASSOCIATION

This Association does not contemplate pecuniary gain or profit to the Members thereof, and the specific purposes for which

it is formed are to provide for maintenance, preservation, and architectural control of the residential lots and common area within those certain tract(s) and/or lot(s) of property described in Schedule A attached to the Declaration and incorporated by reference, and to promote the health, safety and welfare of the residences within the above described property and any additions thereto as may hereafter be brought within the jurisdiction of the Association, and for this purpose to:

(a) Exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in that certain Declaration of Covenants, Restrictions, Easements, Charges and Liens for WATERFORD dated September 24, 1996, and recorded in the Office of the RMC for RICHLAND County in Deed Book D1341, at page 589, hereinafter called the "Declaration," as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as set forth in length;

(b) Fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes, or governmental charges levied or imposed against the property of the Association;

(c) Acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association;

(d) Borrow money, mortgage, pledge, deed in trust, or hypothecate any and all of its real or personal property as security for money borrowed or debts incurred upon arrival by members casting two-thirds of all votes of the Association;

(e) Dedicate, sell or transfer all or any part of the common area to any public agency, authority, or utility for such purpose and subject to such conditions as may be agreed to by the Members. No such dedication or transfer shall be effective unless an

instrument agreeing to such dedication, sale, or transfer has been signed by Members controlling a majority of all votes of the Association.

(f) Participate in mergers and consolidations with other nonprofit corporations organized for the same purpose or annex additional residential property and common area, provided that any such merger, consolidation, or annexation shall have the assent of Members of the Association controlling a majority of all votes of the Association;

(g) To have and exercise any and all powers, rights, and privileges which a corporation organized under the nonprofit corporation law of the state of South Carolina by law may now or hereafter have or exercise;

(h) Notwithstanding the purposes and powers of the Association enumerated above, the Association, prior to passage of control to the owners by converting Class B stock to Class A stock as set forth in the Declaration, shall not enter into, either directly or indirectly, contracts or leases (including a management contract) unless there is a right of termination of any such contract or lease, without cause, which is exercisable without penalty at any time after transfer of control in accordance with the Declaration, upon not more than ninety days notice to the other party to the said contract or lease.

#### ARTICLE IV

##### MEETING OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the Members shall be held within one year from the date of incorporation of the Association, and each subsequent regular annual meeting of the Members shall be held on the same day of the same month of each year thereafter, at the hour of 7:00 p.m. If the day for the annual meeting for Members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2. Special Meetings. Special Meetings of the Members may be called at any time by the President or by the Board of

Directors, or upon written request of Members who are entitled to vote one-fourth of all of the votes of the Class A Membership.

Section 3. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by any fair and reasonable manner, or by mailing a copy of such notice, postage prepaid, at least fifteen days before such meeting to each member entitled to vote thereat, addressed to the Members' address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of the special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, one-tenth of the votes of each class of Membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or represented.

Section 5. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his lot.

#### ARTICLE V

##### BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of five Directors, who need not be Members of the Association; provided, however, that until the first annual meeting there shall be only three Directors.

Section 2. Term of Office. At the first annual meeting, the Members shall have two Directors for a term of one year, two Directors for a term of two years, and one Director for a term of

three years; and at each annual meeting thereafter, the Members shall elect successor Directors for terms of three years.

Section 3. Removal. Any Director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association. In the event of death, resignation, or removal of a Director, his successors shall be selected by the remaining Members of the Board and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No Director shall receive compensation for any service he may render to the Association. However, any Director may be reimbursed for his actual expenses incurred for the performance of his duties.

Section 5. Action Taken Without a Meeting. The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

#### ARTICLE VI

##### NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election for the Board of Directors shall be made by a nominating committee. Nominations may also be made from the floor of the annual meeting. The nominating committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two more Members of the Association. The nominating committee shall be appointed by the Board of Directors prior to each annual meeting of the Directors, to serve from the close of such annual meeting until the close of the next annual meeting and such point shall be announced at each annual meeting. The nominating committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among members or non-members.

Section 2. Election. Election to the Board of Directors shall be by secret ballot. At such election, the Members or their

proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of these Bylaws and the Declaration. The person receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

## ARTICLE VII

### MEETING OF DIRECTORS

Section 1. Regular Meetings. Regular Meetings of the Board of Directors shall be held monthly without notice, at such place and hour as may be fixed from time to time by Resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special Meetings of the Board of Directors shall be held when called by the President of the Association, or by any two Directors, after not less than three days notice to each Director.

Section 3. Quorum. A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as an act of the Board.

## ARTICLE VIII

### POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have power to:

(a) Adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;

(b) Suspend the voting rights and right to use of the recreational facilities of a Member during any period in which each Member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, or a period not to exceed sixty days for infraction of published rules and regulations;

(c) Exercise for the Association of all powers, duties, and authority vested in or delegated to this Association and not reserved to the Membership by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration;

(d) Declare the office of a Member of the Board of Directors to be vacant in the event such Member shall be absent from three consecutive regular meetings of the Board of Directors unless such absence shall be been excused by a majority of the Board, and;

(e) Employ a manager, an independent contractor, or such other employees as they may deem necessary, to prescribe their duties.

Section 2. Duties. It shall be the duty of the Board of Directors to:

(a) Cause to be kept a complete record of all of its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by one-fourth of the Class A members who are entitled to vote;

(b) Supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

(c) as more fully provided in the Declaration, to:

(1) Fix the amount of annual assessments against each lot at least thirty days in advance of each annual assessment;

(2) Send written notice of each assessment to every owner subject thereto at least thirty days in advance of each annual assessment;

(3) Foreclose the lien against any property for which assessments are not paid within thirty days after due date or to bring an action at law against the owner personally obligated to pay the same;

(d) Issue, or cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by

the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) Procure and maintain adequate liability and hazard insurance on property owned by the Association;

(f) Cause all officers or employees having physical responsibilities to be bonded, as it may deem appropriate;

(g) Cause the Common Area to be maintained.

## ARTICLE IX

### OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The offices of this Association shall be a President and Vice President, who shall at all times be Members of the Board of Directors, a Secretary and a Treasurer, and such other officers as the Board from time to time by resolution create.

Section 2. Election of Officers. The election of Officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members, but until their successors are selected at the first Annual Meeting of The Members, the following persons shall serve in the capacities as set forth beside their respective names:

PRESIDENT:	M. STEWART MUNGO
VICE PRESIDENT:	STEVEN W. MUNGO
SECRETARY/TREASURER:	V. BRYAN GRAHAM, JR.

Section 3. Term. The Officers of this Association shall be elected annually by the Board, and each shall hold office for one year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any Officer may be removed from office with or without cause by the Board. Any Officer

may resign at any time giving written notice to the Board, the President or Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The Officer appointed to such vacancy shall serve for the remainder of the term of the Officer he replaces.

Section 7. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the Officers are as follows:

(a) President. The President shall preside at all meetings of the Board of Directors; see that the orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

(b) Vice President. The Vice President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

(c) Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the Members; keep appropriate current records showing Members of the Association together with their addresses, and shall perform such other duties as required by the Board.

(d) Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and

shall disburse such funds as directed by Resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of accounts; cause an annual audit of the Association books to be made by a Public Accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the Membership at its regular annual meeting, and deliver a copy of each to the Members.

#### ARTICLE X

##### COMMITTEES

The Association shall appoint an Architectural Control Board as provided in the Declaration, and a Nominating Committee, as provided in these Bylaws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

#### ARTICLE XI

##### BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, or other reasonable circumstances, be subject to inspection by any member and by any holder, insurer, or guarantor of any first mortgage. The Declaration, the Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any member, lender, holder, insurer, or guarantor of any first mortgage at the principal office of the Association, where copies may be purchased at reasonable cost.

Upon request, any owner or the holder, insurer, or guarantor of any first mortgage on any lot, shall be entitled to a financial statement showing the statement of operations and the balance sheet of the Association for the immediately preceding fiscal year.

#### ARTICLE XII

##### ASSESSMENTS

As more fully provided in the Declaration, each Member is obligated to pay the Association annual and special assessments which are secured by a continuing lien on the property against

which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty days after the delinquency the assessment shall bear interest from the date of delinquency at the rate of 8% per annum, and the Association may bring legal action against the owner personally obligated to pay the same or may enforce and foreclose the lien against the lot or lots; and in the event judgment is obtained, such judgement shall include interest on the assessment as above provided and a reasonable attorney's fee to be fixed by the court, together with the costs of the action. No owner may waive or otherwise escape liability for the assessment provided for herein by non use of the Common Area or abandonment of his lot.

#### ARTICLE XIII

##### CORPORATE SEAL

The Association may have a seal in circular form having within its circumference the words: WATERFORD HOMEOWNERS' ASSOCIATION, INC. .

#### ARTICLE XIV

##### AMENDMENTS

Section 1. These Bylaws may be amended, at a regular or special meeting of the Members, by a vote of a majority of quorum of members present in person or by proxy, except that the Federal Housing Administration or the Veterans Administration shall have the right to veto amendments while there is Class B Membership.

Section 2. In the case of any conflict of any Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

#### ARTICLE XV

##### MISCELLANEOUS

The fiscal year of the Association shall begin on the 1st day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

IN WITNESS WHEREOF we, being all of the Directors of WATERFORD

HOMEOWNERS' ASSOCIATION, INC. have hereunto set our hands and  
seals on OCTOBER \_\_\_\_, 1997 .

WITNESSETH:

\_\_\_\_\_  
M. STEWART MUNGO

\_\_\_\_\_  
STEVEN W. MUNGO

\_\_\_\_\_  
V. BRYAN GRAHAM, JR.

STATE OF SOUTH CAROLINA )  
COUNTY OF LEXINGTON ) PROBATE

PERSONALLY APPEARED before me the undersigned witness who, on  
oath, deposes and says that (s)he saw the within named M. STEWART  
MUNGO, STEVEN W. MUNGO and V. BRYAN GRAHAM, JR. , sign, seal and  
as their act and deed deliver the within written Bylaws for the  
uses and purposes therein mentioned, and that (s)he with the other  
witness whose names appear above, witnessed the execution thereof.

SWORN TO BEFORE ME ON  
OCTOBER \_\_\_\_, 1997 .

\_\_\_\_\_  
WITNESS

\_\_\_\_\_  
NOTARY PUBLIC FOR SOUTH CAROLINA  
MY COMMISSION EXPIRES:

## **AMENDMENTS TO DECLARATION OF COVENANTS**

### **Article II - USES OF PROPERTY**

#### **Section 2. Walls and Fences**

"No fence or wall shall be erected, placed or altered on any Lot nearer to any street than the minimum building setback line unless the same be a retaining wall of masonry construction which does not in any event rise above the finished grade elevation of the earth embankment so retained, reinforced or stabilized, except that this restriction shall not apply to fences or walls which have been approved by the Architectural Control Committee pursuant to Article VII below. The exposed part of retaining walls shall be made of clay brick, natural wood or stone, stucco, or veneered with brick or natural stone, and the finished side of fences must be the side exposed to view by the public. Posts and braces shall be placed so that they are on the inside of the fence, and out of view of the public. Fences must be constructed out of natural wood, vinyl or wrought iron. Maximum height of a fence shall not exceed 6 feet. Prior to erection of a fence, the plans, including size, material, color and stain choices, must be submitted to the Architectural Control Committee as set forth in Article VII below. **CHAIN LINK OR CHICKEN WIRE FENCES ARE PROHIBITED.**"

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### **Article II - USES OF PROPERTY**

#### **Section 7. Use of Outbuilding and Similar Structures.**

"No structure of a temporary nature (unless approved in writing by the Architectural Control Committee) shall be erected or allowed to remain on any Lot, and no trailer, camper, shack, tent, garage, barn or other structure of a similar nature shall be used as a residence, either temporarily or permanently; provided, this Section shall not be construed to prevent the Developer or builders approved by the Developer, and those engaged in construction from using sheds, construction trailers, or other temporary structures during construction. Construction, installation, or placement of a storage shed, tree house, play house, detached garage, or any similar building or structure separate from the main house on the Lot is not permitted without the prior written consent of the Architectural Control Committee in its sole discretion. All plans (which must include the length, width, height, materials, colors, and location) must be submitted to the Architectural Control Committee for written approval prior to obtaining building permits or starting construction. The structure must be constructed, installed, or placed so as to minimize public view of the proposed structure. No two-story structures of this nature are permitted on any Lot within the Community. All materials used in the construction of such buildings must match the main dwelling located on the Lot. The Architectural Control Committee shall be solely responsible for determining the appropriateness of such outbuildings and can deny approval based solely on aesthetic concerns."

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Directors in its sole discretion to the requesting Owner adjacent to such excess property at such price as the Board of Directors may determine, with the proceeds of such sales to be remitted to the general funds of the Association. All costs and expenses in connection with such conveyances, including without limitation attorneys' fees, surveying costs, and title updates, shall be borne by the Owners purchasing such excess Common Area property."

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## **Article VII – ARCHITECTURAL CONTROL**

### **Section 1. Improvements.**

Delete the phrase "planting or landscaping" from this section in both places.

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## **Article X – ADDITIONAL MATTERS DEALING WITH PHASED DEVELOPMENT.**

Article X - Deleted

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## **Article XI – LEASING**

Lots may be leased for residential purposes. All leases shall have a minimum term of at least six months. All leases shall require, without limitation, that the tenant acknowledge receipt of a copy of the Declaration and rules and regulations of the Association. The lease shall also obligate the tenant to comply with the foregoing and shall provide that in the event of noncompliance, the Board, in addition to any other remedies available to it, may evict the tenant on behalf of the Owner and specifically assess all costs associated therewith against the Owner and the Owner's property."

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