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STATE OF SOUTH CAROLINA)
COUNTY OF RICHLAND)

DECLARATION OF COVENANTS, RESTRICTIONS, EASEMENTS, CHARGES, LIENS FOR HEATHERSTONE SUBDIVISION

THIS DECLARATION is made this the 8th day of OCTOBER, 1993 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 may acquire additional real property which it may desire to develop as additional phases of such Development which Developer may incorporate as additional phases of this development and bring same under this Declaration of Covenants, Restrictions, Easements, Charges, and Liens for HEATHERSTONE SUBDIVISION.

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 HEATHERSTONE SUBDIVISION 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

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STATE OF SOUTH CAROLINA)
COUNTY OF RICHLAND)

DECLARATION OF COVENANTS, RESTRICTIONS, EASEMENTS, CHARGES, LIENS FOR HEATHERSTONE SUBDIVISION

THIS DECLARATION is made this the 8th day of OCTOBER, 1993 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 may acquire additional real property which it may desire to develop as additional phases of such Development which Developer may incorporate as additional phases of this development and bring same under this Declaration of Covenants, Restrictions, Easements, Charges, and Liens for HEATHERSTONE SUBDIVISION.

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 HEATHERSTONE SUBDIVISION 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, HEATHERSTONE SUBDIVISION 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 HEATHERSTONE SUBDIVISION 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 that may be developed pursuant hereto.

(c) "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.

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(d) "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.

(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 HEATHERSTONE SUBDIVISION described in the attached Schedule "A" and/or any additional phases of HEATHERSTONE SUBDIVISION 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 HEATHERSTONE SUBDIVISION.

(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

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Section 1. Conformity and Approval of Structures. No structure, fence, sidewalk, wall, or other improvement shall be placed or altered on any lot except in accordance with the provisions of this Declaration.

Section 2. Subdivision of Lot. No lot shall be subdivided as hereinafter provided and no building or residence, including porches or projections of any kind, shall be erected so as to extend over or across any of the building lines as hereinafter established except as herein provided.

Section 3. Increased Size of Lots. Lot or lots may be subdivided provided the effect is to increase the size of the adjoining lot or lots. In such cases, the Developer may alter the building line to conform. Should the owner or owners of any lot and/or portions of lots which have been combined for a single building site subsequently wish to revert to the original plan of subdivision, or make any other combination which would not be in violation of this restriction, that may be done only if the written consent of the Developer is first had and obtained. In such instances, the adjoining lot owners, or other owners in the subdivision do not have the right to interfere with such lot rearrangements, such rights shall be exclusively that of the Developer or any successors or assigns to whom the Developer may expressly have transferred such rights, but the purchaser of any other lot in the subdivision does not, by virtue of his status of a purchaser become any such successor or assign.

Section 4. Alteration of Building Lines in the Best Interest of Development. Where because of size, natural terrain, or any other reason in the opinion of the Developer, it should be to the best interest of the development of this subdivision that the building lines of any lot should be altered or changed, then Developer reserves unto itself, its successors and assigns, and no other, the right to change said lines to meet such conditions. The Developer specifically reserves the right to transfer and assign this right of approval to the architectural control committee

hereinafter established.

Section 5. Completion of Improvements. The exterior of all dwelling homes and other structures must be complete within one year after the construction of the same shall have commenced, except where such completion is impossible or would result in great hardship to the owner or builder due to strikes, fires, national emergencies or natural calamities. No building under initial construction shall be occupied until such construction is completed.

Section 6. Residential Use of Lots. All lots shall be used for residential purposes exclusively. No structures, except as hereinafter provided, shall be erected, altered, placed or permitted to remain on any lot other than one detached single family dwelling constructed in accordance with the plans and specifications herein defined in Article III.

Section 7. Maintenance of Lots. It shall be the responsibility of each lot owner to prevent the development of any unclean, unsightly, or unkept condition of buildings or grounds on such lot which shall tend to substantially decrease the beauty of the neighborhood as a whole or the specific area.

Section 8. Nuisances. No noxious or offensive activity shall be carried on upon any lot, nor shall anything be done thereon tending to cause embarrassment, discomfort, annoyance, or nuisance to the neighborhood. No trash, leaves, or rubbish may be burned on any lot or within the development nor shall there be maintained any plants, poultry, animals (other than household pets) or device or thing of any sort, the normal activities or existence of which is in anyway noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of other property in the neighborhood by the owner thereof. Without limiting the foregoing, exterior lighting may not be so installed as to illuminate any portion of a neighboring lot or to shine into any window or otherwise enter a dwelling unit located on a adjoining lot. All dogs must be on a leash when in the common area.

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Section 9. Exclusion of Above Ground Utilities. All electrical service and telephone lines shall be placed underground and no outside electrical line shall be placed overhead. No exposed or exterior radio or television transmission or receiving towers, antennas, or satellite dishes, shall be erected, placed, or maintained on any part of the premises. Provided, however, that the normal service pedestals, etc. used in conjunction with the underground utilities shall be permitted within the development. Overhead utilities shall be permitted during the construction period and until utility companies can place them underground. Notwithstanding the terms of this section, all overhead utility lines installed prior to the execution of this Declaration shall be permitted to remain.

Section 10. Signs. No billboards or advertising signs of any character shall be erected, placed, permitted, or maintained on any lot or improvement thereon except as herein expressly permitted. A name and address sign, the design of which shall be furnished on request of the lot owner, shall be permitted. It shall also be permissible to have a single sign, not to exceed two feet by three feet, advertising a house or lot for sale. No other sign of any kind of design shall be allowed.

Section 11. Prohibition Against Business Activity. No business activity, including but not limited to a rooming house, boarding house, gift shop, antique shop, professional office or beauty shop or the like or any trade of any kind whatsoever shall be carried on upon a lot or lots. Provided, however, that nothing contained herein shall be construed so as to prohibit the construction of houses to be sold on said lots or showing of said houses for the purpose of selling houses in this development. Nothing herein shall be construed to prevent Developer from erecting, placing, or maintaining signs, structures, offices, or model homes, as it may be deemed necessary for its operation and sales in the development.

Section 12. Mining and Drilling. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, placed, or permitted upon any part of the premises, nor shall any oil, natural gas, petroleum, asphalt, or hydrocarbon products or materials of any kind be produced or extracted from the premises.

Section 13. Garbage Disposal. Garbage disposal containers shall be of a type specified by the Developer or the Association and shall be uniform.

Section 14. 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 6' 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 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

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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 use on applicable plat of the residential subdivision, or locate same on the adjacent lot with the permission of the owner of such adjacent lot. Such right may be exercised by the licensee of the Developer, but this reservation shall not be considered an obligation of the Developer to provide or maintain any such utility service. No structures, including 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 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 15. Temporary Structures. No structure of a temporary character shall be placed upon any lot at any time, provided, however, that this prohibition shall not apply to shelters used by the contractors during the construction of the main dwelling house, it being clearly understood that the latter temporary shelters may not, at any time, be used for residence or permitted to remain on the lot after completion of construction.

Section 16. Trailers, etc. No trailer, motor home, tent, barn, camper, tree house, or similar outbuildings or structure

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shall be placed on any lot at any time either temporarily or permanently.

Section 17. Additional Structures. Additional permanent structures may be constructed on the lot for storage, work shop, or pool house, provided that such structures in all ways conform to all other provisions of these covenants as pertains to the architecture easements, etc. and the intent of a dwelling home. In addition, all plans and specifications must be approved by the Developer, or his assigns, prior to construction beginning.

Section 18. Storage Receptacles. No fuel tanks or similar storage receptacles may be exposed to view, and may be installed only within the main dwelling house or buried underground.

Section 19. Replatting of Lots. No lot shall be subdivided or its boundary lines changed, except as herein provided, however, the Developer hereby expressly reserves to itself, its successors or assigns, the right to replat any two or more lots shown on any plat of said subdivision prior to delivery of the deed therefore in order to create a modified building lot or lots. The restrictions and covenants herein apply to each such building lot so created or recreated.

Section 20. Clotheslines. No clotheslines or drying yard shall be located upon the premises so as to be visible from any common area or from any adjoining lot.

Section 21. Water Systems. No individual water supply system shall be permitted on the premises. Developer shall provide public water to the property line. A connection fee shall be paid by Owner to Developer, or his assigns.

Section 22. Off-Street Parking. Adequate off-street parking shall be provided by the lot owner herein for the parking of automobiles or other vehicles on the streets or common areas in the subdivision. No travel trailers or mobile homes, campers, or other habitable motor vehicles of any kind, whether self-propelled or not, school buses, trucks, (except light duty trucks used for personal transportation) or commercial vehicles, boats, boat

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trailers, shall be kept or stored or parked overnight, either on any common area, specifically including streets, or any lot, except within enclosed approved garages or sheltered from view from neighboring lots, or common areas.

Section 23. Sewer System. No surface toilets are permitted on the premises. Developer shall provide a public sewer to the property line. A connection fee shall be paid by the Owner to the Developer, or his assigns.

Section 24. Underbrush, Etc. In the event that the Owner of any residential lot permits any underbrush, weeds, etc. to grow upon any lot to a height of two feet (except as part of a landscaping plan approved by the Developer) and on request fails to have the premises cut within thirty days, agents of the Developer, or its assigns, may enter upon said land and remove the same at the expense of the Owner, provided, however, that such expenses shall not exceed sums to be determined from time to time by the Board of Directors. 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 Developar to the Association, or other like entities.

Section 25. 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 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

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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 November, 2020, 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 two 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) described in Schedule "A" below shall have a minimum of 1,200 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. Height of Dwelling Homes. To maintain the scale of the neighborhood homes, height will be restricted to not greater than two floor(s) of enclosed living space, and a basement (which shall be optional).

Section 5. Placement of Dwelling Homes on Lots. Set back restrictions affecting the lots in the development are as follows:

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(a) Dwelling houses may be constructed no nearer than 6' to an interior lot line, nor closer than 12' 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 6' 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 25'. 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 board 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

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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. The Class B membership shall cease and become converted to Class A membership upon the occurrence of the first of either of the following two events:

1. After seventy percent of the lots in the development have been conveyed to lot purchasers; or

2. Three years following the conveyance of the first lot, or five years following such conveyance in the event that the Developer incorporates additional phases into the development and brings such additional phases under the Declaration filed for record for HEATHERSTONE SUBDIVISION.

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

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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.

The Developer anticipates conveying to the Homeowners Association, among other common areas, a common area which will contain thereon a pond. The pond may be accessed by all owners, their visitors, invitees, and etc.; however, such access shall be from and across common areas and public rights of way, and there shall be no easements of access across lots intended and subdivided for dwelling home use. The costs of repairs and maintenance for the pond and any dams, spillways, and appurtenances thereto shall be borne by the bordering property owners on a pro-rata front foot basis; however, the dam of the pond shall not be used when measuring front footage or pro-rata calculations in this paragraph. Each owner, including the Association, shall maintain the front footage bordering on the pond at such owner's own expense. The cost contribution of each owner, including the Association, for repairs and maintenance for the pond and any dams, spillways, and appurtenances shall be determined by measuring the linear footage of water frontage around the entire lake, excluding the dam, and prorating such front footage based upon the amount of linear water frontage which each lot has. The use of gasoline powered boats or

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gasoline powered floatation devises upon the pond is prohibited.

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, for a period of not to exceed thirty days 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

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be suspended.

(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 ASSESSMENT THEREFORE

Section 1. Completion of Common Areas by Developer.

(a) The Developer will complete the construction of the streets, roadways, parking facilities, walkways, and outdoor lighting serving such lot or lots in the development.

(b) The Developer will fulfill all its obligations to complete the construction of all common areas which development will be done at the Developer's sole cost and expense.

Section 2. Operation and Maintenance of Common Areas by Developer and Association.

(a) Commencing on the date of conveyance of the first lot or lots and terminating whenever fifty percent of the total lots shall be sold, whichever comes first, the Developer shall operate and maintain common areas at its sole cost and expense, and shall provide, at its sole expense the requisite services contemplated in Section 3(b) of this Article VI in so far as the same have been completed.

(b) Thereafter, the Association at its sole cost and expense, shall operate and maintain the common areas and provide

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

(a) The Developer shall not be charged for any annual assessments or charges or for any special assessments for capital improvements, nor shall any owner of any lot upon which a dwelling unit has not been constructed and completed be charged for any such annual assessments or charges or such special assessments for capital improvements until such time as the said dwelling unit has been occupied for residential use. 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, if there is constructed and completed upon such lot or lots a dwelling unit, shall be deemed to covenant and agree to pay to the Association annual assessments or charges and special assessments for capital improvements, such assessments to be fixed, established, and collected from time to time as herein after provided. Annual and special 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 each assessment is made. Each such assessment, 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 assessment falls due.

(b) The assessments 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

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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 Assessments. The Board of Directors of the Association shall at all times fix the amount of the annual assessment 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 assessment shall be uniform for each lot, subject to the provisions of Section 3(a). The Board shall also fix the date of commencement and amount of the assessment against each lot for each assessment, at least thirty days in advance of such date and period, and shall, at that time, prepare a roster of the lots and assessments 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 assessment shall thereupon be sent to every owner subject thereto.

Each annual assessment shall be paid in twelve monthly installments, each installment to be paid on the first day of each month, unless the Board of Directors of the Association shall determine an alternate method of installments. The exact amount of each annual assessment 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 assessment, a certificate in writing signed by an officer of the Association, setting forth whether said assessment has been paid. Such certificate shall be in recordable form and shall be conclusive evidence of payment of any assessment 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 assessment 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. Special Assessments for Capital Improvements. In addition to the annual assessments, the Association may levy, in any assessment year, a special 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 assessment 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 of 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. Reserve Fund: Separate Assessment of Owners Therefore.

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 to time by the Association to provide for a reserve fund for the

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obligations of the association. Such reserve fund payment shall in no way be considered a prepayment of the annual 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 8. Effective Nonpayment of Assessment. The personal obligation of the owner; the lien, remedies of the association. If any assessment is not paid on the date when due, then such assessment shall be deemed delinquent and shall, together with such interest thereon and costs of collection thereof as or herein after provided, continue as a lien on the lot or lots, which shall bind such lot or lots in the hands of the then owner, his heirs, devises, personal representative, successors and assigns. Personal obligation of the then owner to pay such assessment however shall remain his personal obligation and will also pass onto his successor and title.

If the assessment is not paid within thirty (30) days after the delinquency date, the assessment shall bear interest from the date of delinquency at the rate of eight percent per annum, and the Association may bring legal action against the owner personally obligated to pay the same or may enforce or foreclose the lien against the lot or lots; and in the event judgment is obtained, such judgment shall exclude interest on the assessment as provided and a reasonable attorney's fee to be fixed by the court, together with costs of the action.

Section 9. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any mortgage or mortgages now or hereafter placed upon the property subject to the assessments; provided, however, that such subordination shall apply to the assessments which have become due and payable prior to a sale or transfer of such property pursuant to a decree of foreclosure or in any proceeding in lieu of

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foreclosure. Such sale or transfer shall not relieve such property from liability for any assessments thereafter becoming due, nor from the lien from any subsequent assessment. This section shall not be amended as provided in Article as provided in Article IX, Section 5 of this Declaration.

Section 10. Exempt Property. The following properties subject to this Declaration shall be exempt from the assessment, charges, and liens created herein: (a) All common areas, as defined in Article I, Section 1 hereof. Not withstanding 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. Buildings, Fences, Walls, Etc. No building, fence, wall, mailbox or other structure, and no change in topography, landscaping, or any other item constructed by the developer shall be commenced, erected, or maintained upon the properties, nor shall any exterior addition to or change be made until the plans and specifications showing the nature, kind, shape, height, materials, color, and locations of the same shall have been submitted to and approved in writing as to the harmony of the external design and location in relation of the surrounding structures and topography by the Developer. Provided, however, that upon the Developer selling of all the lots in the subdivision, this right of approval shall be transferred to an Architectural Control Board of the Association. Provided, further, that the Developer may transfer its right of approval under this Declaration prior to the selling all of the lots in the development if it so chooses. In the event the Developer or the Architectural Control Board fails to approve or disapprove any requests within sixty days after complete plans and specifications have been submitted to it, the same shall be deemed to be approved, and this article shall be deemed to have been fully complied with, provided, however, no such failure to act shall be deemed an approval in any matter

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specifically prohibited by any other provision of this Declaration. Refusal or approval of any such change may be made on any grounds, including purely aesthetic grounds, which in the sole and uncontrolled discretion of the Developer or the Architectural Control Board may seem sufficient. Any change in exterior appearance of any building, wall, fence, mailbox, or other structural improvements, and any change in the appearance of landscaping, shall be deemed an alteration requiring approval. The transfer of control shall not be mandatory on the part of the Developer if the Developer has brought another phase under the terms of this Declaration on or before the time the last lot in the other phase or phases has been sold.

ARTICLE VIII

EXTERIOR MAINTENANCE, REASONABLE ACCESS AND MAINTENANCE OF COMMON AREAS

Section 1. Exterior Maintenance. The owner shall maintain the structures and grounds on each lot at all times in a neat and attractive manner. Upon the owner's failure to do so, the Association may, at its option, after giving the owner ten days written notice sent to his last known address, or to the address of his subject premises, have the grass, weeds, shrubs, and vegetation cut when and as often as the same as is necessary in its judgment, and have dead trees, shrubs, and plants removed from such lot, and replaced, and may have any portion of a lot resodded or landscaped, and all expenses of the Association under this sentence shall be a lien and charge against the work is done and the personal obligation of the then owner of such lot. Upon the owner's failure to maintain the exterior of any structure in good repair and appearance, the Association may, at its option, after giving the owner thirty days written notice, sent to his last known address, make repairs and improve the appearance in a reasonable and workmanlike manner. The cost of any of the work performed by the owner's failure to do so shall be immediately due and owing from the owner of the lot and shall continue an assessment against

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the lot on which the work was performed, collectable in a lump sum and secured by a lien against the lot as herein provided.

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 Developer, or the Association, depending upon the responsibility as assessed under this Declaration, shall maintain common areas. However, should the Developer or 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

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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,

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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 8. 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.

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.

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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.

Jacqueline M Van Bercen

Martha R Hallbrick

THE MUNGO COMPANY, INC.
BY:
ITS: PRESIDENT

STATE OF SOUTH CAROLINA)
COUNTY OF LEXINGTON)

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
8TH DAY OF OCTOBER, 1993

Martha R. Hallbrick
NOTARY PUBLIC FOR SOUTH CAROLINA
MY COMMISSION EXPIRES: 5/8/2000

Jacqueline M Van Bercen
WITNESS

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SCHEDULE A

HEATHERSTONE PHASE ONE

SHEET ONE OF TWO

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 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, and 27; on a plat of Sheet one of two of HEATHERSTONE PHASE ONE prepared by Belter & Associates, Inc. dated August 10, 1993, last revised December 21, 1993, and recorded in the Office of the R.M.C. for Richland County in Plat Book 55 Page 232; reference being made to the said plat which is incorporated herein by reference for a more complete and accurate description; all measurements being a little more or less.

This is a portion of the property heretofore conveyed to the Grantor by deed recorded in Richland County Deed Book D1159 Page 798

SHEET TWO OF TWO

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 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, and 109; on a plat of Sheet two of two of HEATHERSTONE PHASE ONE prepared by Belter & Associates, Inc. dated August 10, 1993, last revised December 21, 1993, and recorded in the Office of the R.M.C. for Richland County in Plat Book 55 Page 233; reference being made to the said plat which is incorporated herein by reference for a more complete and accurate description; all measurements being a little more or less.

This is a portion of the property heretofore conveyed to the Grantor by deed recorded in Richland County Deed Book D1159 Page 798

HEATHERSTONE PHASE TWO

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 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, and 60; on a plat of Sheet one of one of HEATHERSTONE PHASE TWO prepared by Belter & Associates, Inc. dated August 10, 1993, last revised December 22, 1993, and recorded in the Office of the R.M.C. for Richland County in Plat Book 55 Page 231; reference being made to the said plat which is incorporated herein by reference for a more complete and accurate description; all measurements being a little more or less.

This is a portion of the property heretofore conveyed to the Grantor by deed recorded in Richland County Deed Book D1159 Page 798

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