

REC 50E PAGE 255

RECORDED
1984 FEB 14 AM 10:43

STATE OF SOUTH CAROLINA)
COUNTY OF SPARTANBURG)
) R.M.C. SPARTANBURG, S.C. CERTIFICATE OF AMENDMENT
) TO CARRIAGE HOUSE HORIZONTAL
) PROPERTY REGIME BY-LAWS OF
) CARRIAGE HOUSE ASSOCIATION, INC.
) AS CONTAINED IN DECLARATION OF
) CONDOMINIUM (Master Deed)

WHEREAS, American Service Corporation of South Carolina (herein referred to as "Developer") has heretofore submitted certain properties situate on Dover Road, Spartanburg, South Carolina, to a Horizontal Property Regime known as Carriage House Horizontal Property Regime (Master Deed) dated November 7, 1979 and recorded in the RMC Office for Spartanburg County, South Carolina in Deed Book 46-Z, page 213, on November 12, 1979, and

WHEREAS, attached to and made a part of said Carriage House Horizontal Property Regime and marked Exhibit "D" are the By-Laws of Carriage House Association; and

WHEREAS, ARTICLE IX of the said By-Laws provides "that the By-Laws may be amended or modified at any time, or from time to time, by the action or approval of a two-thirds (2/3) of the unit owners their votes being weighted according to their ownership of the original Common Elements at that time" and

WHEREAS, the Developer has conveyed three quarters (3/4) of the units, and the Association has begun to function,

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satisfying the requirement set out in the Master Deed, under Administration VII, Section 3. Furthermore, Carriage House Association is a non-profit Corporation owned and operated by the co-owners of units.

WHEREAS pursuant to said provision, a duly called meeting of Carriage House Association was held on November 28, 1983; and

WHEREAS, the unit owners did at said meeting vote favorably by more than two-thirds (2/3), to amend the By-Laws of the Carriage House Association as hereinafter more particularly set forth;

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS, that the unit owners do declare:

1. That ARTICLE IV, Section 5 of the By-Laws of Carriage House Association is amended to read as follows:

Section 5. The presence, either in person or by proxy, of the owners of at least fifty-one per cent (51%) of the ownership interest in the General Common Elements shall be requisite for and shall constitute a quorum for the transaction of business at all meetings of members of the Association; EXCEPT, when electing members of the Board of Directors, all of those members of the Association in attendance together with those represented by proxy shall be requisite for and shall constitute a quorum for the purpose of such election of Directors only.

IN WITNESS WHEREOF, the undersigned, being all of the members of the Board of Directors of Carriage House

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Association, have executed this instrument this 14 day of February, 1984.

IN THE PRESENCE OF:

Timothy L. Cleveland

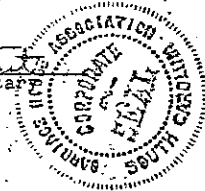
Donald B. Wall

CARRIAGE HOUSE ASSOCIATION, INC.

BY: Shirley Kelleher
Shirley Kelleher, President

ATTEST:

BY: Martha H. Cathcart
Martha Cathcart, Secretary



STATE OF SOUTH CAROLINA)
COUNTY OF SPARTANBURG)

PROBATE

PERSONALLY appeared before me, Timothy L. CLEVELAND and made oath that he/she saw Shirley Kelleher, President and Martha Cathcart, Secretary, of Carriage House Association, Inc., sign, seal with its corporate seal and as the act and deed of said Corporation deliver the within written Certificate of Amendment and that he/she with the other witness subscribed above witnessed the execution thereof.

Timothy L. Cleveland

SUBSCRIBED AND SWORN TO before me this 14 day of February, 1984.

Donald B. Wall
Notary Public for South Carolina
My Commission Expires: 3-3-92

STATE OF SOUTH CAROLINA)
)
COUNTY OF SPARTANBURG)

MASTER DEED ESTABLISHING
CARRIAGE HOUSE
HORIZONTAL PROPERTY REGIME

THIS MASTER DEED, made this 7th day of November, 1979, by American Service Corporation of S. C., a corporation organized under the laws of the State of South Carolina, hereinafter called "Developer";

W I T N E S S E T H:

WHEREAS, Developer is the owner in fee simple of certain real estate in the City of Spartanburg, County of Spartanburg, State of South Carolina, being the property hereinafter described; and

WHEREAS, the Developer intends by this Master Deed to submit said property to the provisions of the Horizontal Property Act of South Carolina (Title 27, Chapter 31 of the Code of Laws of the State of South Carolina, 1976, as amended);

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS, that Developer does hereby make and declare this Master Deed creating and establishing a plan for dwelling ownership for "Carriage House Horizontal Property Regime", being the Property and Improvements hereinafter described.

1.

DEFINITIONS

For purposes for this Master Deed, the following terms shall have the meanings set forth below:

(a) "Apartment" means a part of the Property intended for independent use for residential purposes including one or more rooms or enclosed spaces located on one or more floors (or parts thereof) in a building, and with a direct exit to a public street or highway or to a common area leading to such street or highway;

(b) "Building" means a structure or structures containing in the aggregate two or more apartments, comprising a part of the Property;

(c) "Condominium Ownership" means the individual ownership of a particular Apartment in a Building and the common right to a share, with other Co-owners, in the general and limited common elements of the Property;

(d) "Co-owner" means a person, firm, corporation, partnership, association, trust, or other legal entity, or any combination thereof, who owns an Apartment within any Building;

(e) "General Common Elements" means and includes:

(1) The land described herein including that portion of the land on which the Buildings are or will be located;

(2) The foundations, main walls, roofs, attics, stairways, door stoops, and entrance and exit or communication ways;

(3) The basements, flat roofs, yards and gardens, except as otherwise specifically stipulated herein;

(4) Any premises for the lodging of managers, janitors, or persons in charge of the Property, except as otherwise specifically provided herein;

(5) Compartments or installations of central services such as power, light, gas, cold and hot water, refrigeration, reservoirs, water tanks and pumps, and similar installations, except as otherwise specifically provided herein;

(6) Garbage incinerators, outside garbage containers, and similar equipment used for the collection or disposal of garbage for common use; and

(7) All other elements of the Property rationally of common use or necessary to its existence, upkeep and safety;

(f) "Limited Common Elements" means and includes those portions of the Property which are reserved for the use of a certain number of Apartments to the exclusion of the other Apartments.

(g) "Majority of Co-owners" means that number of Apartment owners who together own Apartments totaling 51% or more of the basic value of the Property as a whole, in accordance with the percentages set forth on Exhibit "C" to this Master Deed;

(h) "Person" means an individual, firm, corporation, partnership, association, trust or other legal entity, or any combination thereof;

(i) "Property" means and includes all of that certain parcel of land located in the City of Spartanburg, State of South Carolina, more particularly described on Exhibit A attached hereto and made a part hereof, together with all Buildings, structures, and other

Improvements constructed or to be constructed or placed thereon, and all easements, rights and appurtenances belonging thereto;

(j) "Unit" has the same meaning as "Apartment."

II.

DEVELOPMENT OF PROJECT AND PROPERTY RIGHTS

Section 1.

Development Plan. Developer is the owner of fee simple title to the Property which is more particularly described and shown on Exhibit A attached hereto, which Property together with all improvements constructed or to be constructed or placed thereon is hereby submitted to a horizontal property regime under the applicable provisions of the laws of the State of South Carolina, as hereinabove described. The improvements on the Property consist of 124 apartments, a clubhouse, a swimming pool, a wading pool, parking areas, entrance and access roads and roadway, and other improvements related to and utilized in the operation and maintenance of said apartments. The location of the Buildings and other improvements and the basic dimensions of the Building's and all individual Units are shown in the site plans incorporated into Exhibit B attached hereto and made a part hereof. The numbers assigned to the Units for purposes of identifying and describing them under the horizontal property regime are also shown on Exhibit B. If Developer chooses to make any changes in the numbering or the dimensions of any Unit prior to conveyance of such Unit, Developers must file for record in the office of the Register of Mesne Conveyances of Spartanburg County, South Carolina, an amendment to this Master Deed reflecting such changes, to which shall be attached a verified statement of a registered architect or a licensed professional engineer certifying that the amendment, together with the documents included in Exhibit B attached hereto, fully and accurately depict the layout, location, number/letter identification and dimensions of the Building or Buildings described in said amendment as built.

Section 2.

Ownership of Units. Each separate Unit depicted and designated in Exhibit B shall be conveyed and treated as an individual property capable of independent use and fee simple ownership. The owner of an individual Unit shall own, as an appurtenance to the ownership of the

Unit, an undivided interest in the General Common Elements and the Limited Common Elements, being that percentage allocated to the respective Unit as set forth in the schedule attached hereto as Exhibit C, and by this reference incorporated herein. The percentage of undivided interest in the General Common Elements and the Limited Common Elements allocated to each Unit shall not be changed except with the unanimous consent of all co-owners of all Units and all record owners of mortgages thereon. The owner of a Unit shall own in fee simple all spaces and improvements lying above the undecorated and/or unfinished inner surfaces of the perimeter walls and floors, and below the undecorated and/or unfinished inner surfaces on the ceilings of each Unit. The Unit shall not include the spaces and improvements lying beneath the undecorated and/or unfinished inner surfaces of the perimeter walls and the floors, above the undecorated and/or unfinished inner surfaces on the ceilings, and beneath the undecorated and/or unfinished inner surfaces of all interior load bearing walls and/or partitions. The Units shall further exclude all pipes, ducts, wires, conduits and other facilities running through any interior wall or partition for the furnishing of utility services, including television antenna cables, to the Units or to the General Common Elements. All of the aforementioned items excluded from Units shall be included in the definition of General Common Elements for purposes of this Master Deed. The Units shall, however, include the interior non-loadbearing walls and partitions contained in the Units, and the inner decorated and/or finished surfaces of perimeter walls, floors and ceilings, including paint and wallpaper. The windows and doors are part of the Unit. Each Unit shall also include a storage room attached to the Building in which the Unit is located or to another storage room. The location of the storage room included in each Unit is indicated by lines or arrows in Exhibit B.

The air conditioning condensers, attics, patios, fenced-in yards, door stoops, chimneys, and decks which are attached to, immediately adjacent to, attributed to, or necessarily used only by the owner of a particular Unit shall be considered General Common Elements (or as Limited Common Elements if specifically designated as such on Exhibit B). However, they shall be possessed, used, and

enjoyed exclusively by the owner of the appropriate Unit, unless all of the owners of Units in a given Building (in the case of Limited Common Elements) or the Board of Directors of the Association (in all other cases) shall elect to distribute or allocate the use and enjoyment of such Common Elements in some other manner.

The legal description of each Unit shall consist of the identifying number of such Unit as shown on Exhibit B. Every deed, lease, mortgage or other instrument may legally describe a Unit by its identifying number as shown on said Exhibit B followed by the words "in Carriage House Horizontal Property Regime."

Section 3.

Common Elements Ownership of the Common Elements shall be by the owners of all Units as tenants in common. The percentage of undivided interest of each Unit owner in and to the Common Elements shall be as set forth on Exhibit C. Developer's percentage of undivided interest in and to the Common Elements at any particular time shall be the percentage derived by subtracting from "100" percent the total at said time of the percentages of all other Unit owners. The percentages of undivided interests of the owners as defined and determined in accordance with this Master Deed may be altered only by the consent of all such owners expressed in a duly recorded amendment to this Master Deed. The percentage of undivided interest of each owner in the Common Elements is appurtenant to the Unit owned by him. No appurtenance may be separated from the Unit to which it appertains, and such appurtenance shall be deemed to be conveyed and encumbered or to otherwise pass with the Unit whether or not expressly mentioned or described in a conveyance or other instrument describing the Unit. The Common Elements shall remain undivided, and no owner nor any other Person shall bring any action for partition or division of the whole or any part thereof except as specifically provided herein. Each owner and the Association (as hereinafter defined) may use the Common Elements for the purposes for which they are intended, but in no such use shall enter or encroach upon the lawful rights of the other owners.

Section 4.

Limited Common Elements. Ownership of each Unit shall entitle the owner thereof to the use of any improvements or land area designated as Limited Common Elements in this Master Deed, in common with the owners of other Unit in the same Building, except as otherwise specifically provided herein. Decisions concerning utilization of Limited Common Elements, other than those specifically allocated or attributed to an individual Unit, may be made by the majority vote of the owners of Units within the appropriate Building, such voting to be determined according to the relative basic values of the Units in that Building as set forth on Exhibit C.

III.

PERPETUAL NON-EXCLUSIVE EASEMENT IN GENERAL COMMON ELEMENTS

The General Common Elements shall be, and the same are hereby declared to be subject to a perpetual non-exclusive easement in favor of all the Co-owners of Units in the Carriage House Horizontal Property Regime for their use and the use of their immediate families, guests, and invitees, for all proper and normal purposes, and for the furnishing of services and facilities for which the same are reasonably intended, for the enjoyment of said Co-owners of Units. Notwithstanding anything above provided in this Article, Carriage House Association (hereinafter identified) shall have the right to establish the rules and regulations pursuant to which the Co-owners of the Units may be entitled to use the General Common Elements. The rights of each Co-owner to the use of the easement and privileges granted herein shall be limited by all such rules and regulations. Such rights of enjoyment shall also be limited by the right of the Board of Directors of said Association to impose assessments against owners of Units, as hereinafter provided, and the right of such Directors to suspend the privilege of utilizing all or certain of the General Common Elements by reason of delinquencies in the payment of such assessments.

IV.

EASEMENTS FOR ENCROACHMENTS AND SUPPORT

Each Unit and the Property included in the General Common Elements shall be subject to an easement for encroachments created by construction, renovations, settling and overhangs as designed or

constructed by the Developer, and for any deviations between the original construction plans and specifications (referenced on Exhibit B) and the actual dimensions of the Units. A valid easement for said encroachments and for the maintenance of same, as long as they stand, shall and does exist. In the event that any Building is partially or destroyed and then rebuilt, the Co-owners of the Units so affected agree that minor encroachments of parts of the adjacent Units or General Common Elements or Limited Common Elements, due to construction, shall be permitted, and that a valid easement for said encroachments and the maintenance thereof shall exist. Every portion of a Unit contributing to the support of an abutting Unit shall be burdened with an easement of support for the benefit of such abutting Unit. Also, a valid easement shall and does exist in favor of each owner to make reasonable use, not inconsistent with the terms of Master Deed, of all walls which may serve as common or party walls with other Units.

V.

PARKING

All portions of the Property designated as parking areas shall be a part of the General Common Elements, and shall be utilized by Co-owners of Units in accordance with the following rules, as well as any additional rules established by the Association:

(a) Only passenger automobiles in operating condition with current and effective license tags and inspection stickers may be parked upon any of these parking spaces, and the Board of Directors of the Association may cause property stored or parked in violation hereof to be removed at the expense of the Unit owner who parked or stored the same or whose family member, invitee, lessee, or guest, parked or stored the same.

(b) No Unit owner shall regularly and routinely utilize more than two (2) of the parking spaces included in the General Common Elements, without the specific consent of the Directors of the Association.

(c) A special area may be established and designated by the Developer or the Directors of the Association for parking boats, recreational vehicles, and similar large vehicles. If so, all such vehicles and boats shall be parked only in such designated areas and only in accordance with rules established by the Board for this area.

VI.

EASEMENT FOR UNINTENTIONAL AND NON-NEGLIGENT ENCROACHMENTS

The Co-owners of the respective Units agree that if any portion of a Unit or General Common Element or Limited Common Element presently encroaches upon another, a valid easement for the encroachment and maintenance of same, so long as it stands, shall and does exist. In the event the buildings are partially or totally destroyed, and then rebuilt, the Co-owners of the Units agree that the encroachments on parts of the General Common Elements or on the Units themselves, as aforescribed, due to construction, shall be permitted, and that a valid easement for such encroachments and the maintenance thereof shall exist.

VII.

ADMINISTRATION

Section 1.

Association. The Carriage House Association shall be a non-profit corporation owned and operated by the Co-owners of Units. Except as otherwise expressly provided herein, the administration of the Carriage House Horizontal Property Regime, the maintenance, repair replacement and operation of the General Common Elements and those acts required of the Association by this Master Deed and by applicable portions of the Horizontal Property Act of South Carolina (in which such entity is identified as the "Counsel of Co-owners") shall be the responsibility of the Association. The Association shall be governed by and shall operate according to this Master Deed, the applicable statutes described above, and by the By-Laws of the Association, a copy of which is attached hereto as Exhibit D and by this reference made a part hereof.

Each Unit Co-owner shall automatically become and be a member of the association as long as he continues to be a Unit Co-owner. Upon the termination of the interest of a Unit Co-owner, his membership shall thereupon automatically terminate and transfer and inure to the new Unit Co-owner succeeding him in interest. The aggregate number of votes for all members of the Association shall be One Hundred (100), which shall be divided among the members in the same ratio as their respective percentages of Co-ownership interest in the General Common Elements as set forth in Exhibit C.

Section 2.

Limitation of Liability; Indemnification. Notwithstanding the duty of the Association to maintain, repair and replace parts of the General Common Elements, the Association shall not be liable for injuries or damage caused by any latent condition of the General Common Elements, nor for injury caused by the elements, Owners or other Persons, nor shall any officer or director of the Association be liable to any Owner for injury or damage caused by such officer or director in the performance of his duties unless due to the willful misfeasance or malfeasance of such officer or director. Each officer and director of the Association shall be indemnified by the Owners against all expenses and liabilities, including attorney's fees, reasonably incurred or imposed upon him in connection with the proceedings to which he may be a party or in which he may become involved by reason of his being or having been an officer or director of the Association, or any settlement, whether or not he is an officer or director of the Association at the time such expenses and liabilities are incurred, except in such cases where the officer or director is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided that in the event of a settlement, the indemnification shall apply only when the Board of Directors approves such settlement and reimbursement as being for the best interests of the Association.

Section 3.

Administration by Developer. Notwithstanding anything contained herein to the contrary, the Developers shall be responsible for the administration of the Property and the General Common Elements; and the Association will not begin to function through its other members until the Developers shall have conveyed three-fourths (3/4) of the Units to the respective purchasers of same or such earlier date as may be selected by the Developer in the exercise of his sole discretion, at which time such fact shall be certified to the Association by the Developer and management of the General Common Elements delivered to the Association together with all books and accounts which shall be in balance. Until such time, the duties and powers of the Association, including those of the Board of Directors, as specified in this Master Deed and in the By-laws, shall be performed by the Developer and/or

the manager or agent to be employed by the Developer on behalf of the Association, at any rate of compensation which, under the circumstances and in the sole discretion of the Developer, shall be reasonable amount. Such compensation, if any, shall be paid as a recurring expense of the Association and out of the Assessments hereinafter provided for and not in lieu thereof or in addition thereto.

VIII.

USE RESTRICTIONS

Section 1.

Residential Purposes. All Units covered by the Regime shall be, and the same hereby are, restricted exclusively to residential use. No structures of a temporary character, trailer, basement, tent, shack, carport, garage, barn or other building shall be used, constructed, placed upon as any portion of the Property at any time either temporarily or permanently, without the consent of the Board.

Section 2.

Construction and Sale Period. Notwithstanding any provisions contained herein to the contrary, it shall be expressly permissible for the Developer or any Persons employed to Developer to maintain, during the period of renovation and sale of said Units, upon such portion of the Property as the Developer may deem necessary, such facilities as in the sole opinion of the Developer may be reasonably required, convenient or incidental to the renovation and sale of said Units, including, but without limitation, storage areas, construction yards, signs, model Units, construction offices, sales office and business offices.

Section 3.

Animals and Pets. No animals, livestock or poultry of any kind shall be raised, bred or kept on any part of the Property, except that dogs, cats or other household pets may be kept by the respective Owners in their respective Units, provided that they are not kept, bred or maintained for any commercial purpose and do not endanger the health

or in the sole discretion of the Board of Directors, unreasonably disturb the Owner of any Unit or any resident thereof.

Section 4.

Signs and Business Activities. No advertising, signs, billboard, unsightly objects, or nuisance shall be erected, placed or permitted to remain on the Property, nor shall the Property be used in any way or for any purpose which may endanger the health of or unreasonably disturb the Owner of any Unit or any resident thereof. No business activities of any kind whatever shall be conducted in any Building or in any portion of the Property; provided, however, the foregoing covenants shall not apply to the business activities, signs and billboards of the Developer, its agents or assigns during the renovation and sale period.

Section 5.

Garbage Disposal, Clotheslines, Etc. Garbage cans may be maintained by any Unit Owner within the fence surrounding the back side of his Unit. Large garbage deposit containers shall be maintained on a designated portion of the General Common Elements, and all Unit Owners shall deposit their garbage therein. The Association shall arrange for the regular pickup of garbage from these containers. No Unit Owner shall be allowed to have or maintain any type of clothesline or storage pile outside his Unit. Firewood may be maintained on General and Limited Common Elements only with the consent of the Board of Directors of the Association.

Section 6.

Decks and other Common Areas. Except in the fenced-in area adjacent to a Unit, no planting or gardening shall be done, and no fences, hedges or walls shall be erected or maintained upon said Property except such as are installed in accordance with the individual construction of the Buildings located thereon or as approved by the Board of Directors or their designated representatives. Except for the right of ingress and egress, the Owners of Units are hereby prohibited and restricted from using any of said Property outside of their respective Units and the fenced-in yards appurtenant thereto, except as may be allowed by the Board of Directors or as expressly provided for herein. It is expressly acknowledged by all parties

concerned that this paragraph is for the mutual benefit of all Owners in the Regime and is necessary for the protection of said Owners.

Section 7.

Exterior Antennas. Without prior written approval and authorization of the Board of Directors, no exterior television or radio antennas of any sort shall be placed, allowed or maintained upon any portion of the improvements to be located upon the Property nor upon any structure situated upon the Property other than an aerial for a master antenna system, should any such master system or systems be utilized and require any such exterior antenna.

Section 8.

Leasing of Units. Entire Units may be rented provided the occupancy is not for less than twelve (12) months and such occupancy is only by the lessee and his immediate family or as may be approved or otherwise provided for by the Board of Directors. No room may be rented and no transient tenants accommodated. This Section 8 shall not apply, however, to any lease or leases which may be entered into by the Developer, or which may be in existence on the date of the recording of this Master Deed.

Section 9.

General. No nuisance shall be allowed upon any of the Units or the General or Limited Common Elements nor shall any practice be allowed which is a source of annoyance to residents, or which will interfere with the peaceful possession and proper use of the Units or General or Limited Common Elements by the residents of the Property. No Unit Co-owner shall permit or suffer anything to be done or kept in his Unit which will increase the rates of insurance on the building in which it is located. Additional regulations concerning use of the General Common Elements and the Limited Common Elements may be promulgated by the Association. Copies of all additional regulations shall be furnished to all Unit Owners.

IX.

ALTERATIONS OR ADDITIONS TO GENERAL COMMON ELEMENTS OR LIMITED COMMON ELEMENTS

There shall be no alteration or additions to the General Common Elements or Limited Common Elements of this Property, except as

authorized by the Board of Directors and approved by not less than a majority of the Unit Co-owners of this Property; provided that no alterations or additions which prejudice the right of any Unit Co-owner to the full use and enjoyment of his Unit shall be made without his consent. The cost of the foregoing shall be assessed as common expenses. Where any alteration or additions as aforescribed (i.e. to the General Common Elements or Limited Common Elements) are exclusively or substantially exclusively for the benefit of the Unit Co-owner(s) requesting same, then the cost of such alterations or additions shall be assessed against and collected solely from such Unit Co-owner(s), and the assessment shall be levied in such proportion as may be determined as fair and equitable by the Board of Directors and approved by not less than a majority of the Unit Co-owners exclusively or substantially exclusively benefiting therefrom.

X.

MAINTENANCE AND REPAIR OF EACH UNIT

Section 1.

Responsibility. Each Unit Co-owner agrees as follows:

A. To maintain in good condition and repair his Unit and all interior surfaces within or surrounding his Unit (such as the surfaces of the walls, ceilings and floors) whether or not part of the Unit or General Common Elements, and the entire interior of his Unit, and to maintain and repair the fixtures and equipment located within or exclusively serving his Unit, which include but are not limited to the following, where applicable: air-conditioning and heating unit, including the air-conditioning condenser unit which is outside the Unit, refrigerators, stoves, fans, hot-water heaters, dishwashers, and other appliances, drains, plumbing fixtures and connections, sinks, all plumbing and water lines within or surrounding the Unit, electric panels and wiring, electric outlets and fixtures within or surrounding the Unit, and any repairs to the doors, windows, screening, and glass within the Unit, or to the patio located adjacent thereto. Each Owner shall pay for such utilities as are separately metered to his Unit. Where a Unit is carpeted, the cost of replacing carpeting shall be borne by the Owner of said Unit.

B. Not to make or cause to be made any structural addition or alteration to his Unit or to the General Common Elements, without prior consent of the Association and all mortgages holding a mortgage on his Unit.

C. To make no alteration, decoration, repair, replacement or change to the General Common Elements or to any outside or exterior portion of the Building including the exterior side of any door; and to use only those contractors or sub-contractors within his Unit approved by the Board of Directors of the Association. However, institutional mortgage may use such contractors or sub-contractors as they desire. Each Unit Owner will also be bound and restricted by any rules adopted by the Association at any time governing any furnishings, additions or renovations which can be seen from outside the Building, including regulations affecting the exterior side of curtains, storm windows, storm doors, etc.

D. To permit the Board of Directors, or the agents or employees of the Association, to enter into any Unit (i) for the purpose of maintenance, inspection, repair, replacement of the improvement included within the General Common Elements; or (ii) to determine, in case of emergency, any circumstances which may be threatening Units or the General Common Elements; or (iii) to determine compliance with the provisions of this Master Deed and the By-Laws of the Association.

E. To show no signs, advertisements, or notices of any type on the General Common Elements or his Unit, and erect no exterior antenna or aerials, except that Developer and Developer's lender(s) may display signs during the renovation and sale period for the sale or lease of Units presently owned by them or obtained by them through foreclosure or deeds in lieu of foreclosure.

Section 2.

Failure to Maintain Unit. In the event the Owner of a Unit fails to maintain said Unit and Limited Common Elements, as required in this Master Deed or by any action of the Association permitted herein, or shall make any structural addition or alteration without the required written consent, or otherwise violates or threatens to violate the provisions hereof, the Association shall have the right to proceed in

a Court of Equity for an injunction to seek compliance with the provisions hereof. In lieu thereof, and in addition thereto, the Association, through its Board of Directors, shall have the right to levy an assessment against the Owner of the Unit, and the Unit, for such necessary sums to remove any unauthorized structural addition or alteration, and to restore the Property to good condition and repair.

XI.

MAINTENANCE AND REPAIR OF GENERAL COMMON ELEMENTS
AND LIMITED COMMON ELEMENTS BY ASSOCIATION

The Association, at its expense, shall be responsible for the maintenance, repair and replacement of all of the General Common Elements or Limited Common Elements on the Property, except those areas which must be maintained by Unit owners or the owners of Units in a given Building pursuant to the terms hereof. The responsibility of the Association for such maintenance and repair shall include those portions of the General Common Elements and the Limited Common Elements which contribute to the support of the Buildings and all conduits, ducts, plumbing, wiring and other facilities located in the General Common Elements and the Limited Common Elements (except those allocated to the owners of Units in a given Building by the Master Deed or by action of the Association). Should any incidental damage be caused to any Unit by virtue of any work which may be done or caused to be done by the Association in the maintenance, repair or replacement of any General or Limited Common Elements, the said Association shall, at its expense, repair such incidental damage.

XII.

OWNER'S RISK OF LOSS AND
PERSONAL INSURANCE COVERAGE

The Co-owner of each Unit may, at his own expense, obtain insurance coverage for loss of or damage to any furniture, furnishings, personal effects and other personal property belonging to such Co-owner, and may, at his own expense and option, obtain insurance coverage against personal liability for injury to the person or property of another while within such Co-owner's Unit or upon the General Common Elements and Limited Common Elements. All such

insurance obtained by the Co-owner of each Unit shall, wherever such provisions shall be available, provide that the insurer waives its right of subrogation as to any claims against other Co-owners of Units, the Association, and the respective servants, agents and guests of said other Co-owners and Association. Risk of loss of or damage to any furniture, furnishings and personal effects and other personal property (other than such furniture, furnishings and personal property constituting a portion of the General Common Elements and Limited Common Elements) belonging to or carried on the person of the Co-owner of each Unit, or which may be stored in any Unit or in or upon General Common Elements and Limited Common Elements, shall be borne by the Co-owner of each such Unit. All furniture, furnishings and personal property constituting a portion of the General Common Elements and Limited Common Elements and held for the joint use and benefit of all Co-owners of all Units shall be covered by such insurance as shall be maintained in force and effect by Association as hereinafter provided. The Co-owner of a Unit shall have no personal liability for any damages caused by the Association or in connection with the use of the General Common Elements and Limited Common Elements. The Co-owner of a Unit shall be liable for injuries or damages resulting from an accident in his own Unit, to the same extent and degree that the owner of a house would be liable for an accident occurring within the house.

XIII

INSURANCE AND CASUALTY LOSSES

Section 1. Insurance. The Board of Directors shall have the authority to and shall obtain insurance for all of the insurable improvements on the Property (with the exception of improvements and betterments made by the respective Owners at their expense) against loss or damage by fire or other hazards, including extended coverage, vandalism and malicious mischief, in an amount sufficient to cover the full replacement cost of any repair or reconstruction in the event of damage or destruction from any such hazard, and shall also obtain a public liability policy covering all General and Limited

Common Areas and all damage or injury caused by the negligence of the Association or any of its agents, which public liability policy shall be at least \$300,000 as respects Bodily Injury and Property Damage liability. Notwithstanding the above requirement, the Board shall have the discretion to purchase insurance with deductible provisions in whatever amount it chooses, and in the event of loss, to require each Owner to pay his appropriate share of the deductible portion of any costs of repair and rebuilding. Premiums for all such insurance shall be paid by the Association. All such insurance coverage obtained by the Board of Directors shall be written in the name of the Association as Trustee for each of the Unit Owners in the percentages of undivided interest in and to the General and Limited Common Areas as herein provided. Such insurance shall be governed by the provisions hereinafter set forth.

(a) All policies shall be written with a company licensed to do business in the State of South Carolina and holding a rating of "AA" or better by Best's Insurance Reports.

(b) All policies shall be for the benefit of the Unit Owners and their mortgagees as their interests may appear.

(c) Provision shall be made for the issuance of a certificate of insurance to each Owner and his mortgagee, if any, which shall specify the amount of such insurance attributable to the entire Building in which the Unit is located.

(d) The Original of all policies and endorsements thereto shall be deposited with the Insurance Trustees (hereinafter defined) which shall hold them subject to the provisions of Section 3 of this Section XIII.

(e) Exclusive authority to adjust losses under policies hereafter in force on the Property shall be vested in the Board of Directors; provided, however, that no mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related thereto.

(f) In no event shall the insurance coverage obtained and maintained by the Board of Directors hereunder be brought into contribution with insurance purchased by individual Owners or their mortgagees.

(g) The Board of Directors shall conduct an annual insurance review which shall include a replacement cost review, without respect to depreciation, of all insurable improvements on the Property (with the exception of improvements and betterments made by the respective Owners at their expense).

(h) The Board of Directors shall be required to make every reasonable effort to secure insurance policies that will provide for the following: (1) a waiver of subrogation by the insurer as to any claims against the Board of Directors, its Manager, the Owners and their respective servants, agents and guests; (2) a waiver by the insurer of its right to repair and reconstruct instead of paying cash; (3) that the master policy on the Property cannot be cancelled, invalidated or suspended on account of any one or more individual Owners; and (4) that the master policy on the Property cannot be cancelled, invalidated or suspended on account of the conduct of any director, officer or employee of the Association without a prior demand in writing delivered to the Association to cure the defect and the allowance of a reasonable time thereafter within which the defect may be cured by the Association, any Owner or mortgagee.

Section 2. No Partition. There shall be no judicial partition of the Property or any part thereof, nor shall the Developer or any Person acquiring an interest in the Property or any part thereof seek any such judicial partition until the happening of the conditions set forth in Section 4 of this Section XIII in the case of damage or destruction or unless the Property has been removed from the provisions of the Horizontal Property Act as hereinafter prescribed.

Section 3. Use of Proceeds.

(a) All insurance policies purchased by and in the name of the Association shall provide that proceeds covering Property losses

shall be paid to the Association and a Trustee which shall be a banking institution selected by the Board of Directors, which Trustee is herein referred to as the Insurance Trustee. Immediately upon the receipt by the Association of such proceeds, the Association shall endorse the instrument by means of which such proceeds are paid and delivered or caused to be delivered such instrument to the Insurance Trustee. The Insurance Trustee shall not be liable for payment of premiums, for the renewal or the sufficiency of the policies or for the failure to collect any insurance proceeds. Nor shall the Insurance Trustee have any obligation to inspect the Property to determine whether a loss has been sustained or to file any claim or claims against any insurer or any other Person.

(b) The duty of the Insurance Trustee shall be to receive proceeds delivered to it and to hold such proceeds in trust for the benefit of the Owners and their mortgagees in the following shares, but which shares need not be set forth in the records of the Insurance Trustee. An undivided share of such proceeds on account of damage or destruction to the General or Limited Common Elements shall be held in trust for the Owners in accordance with their respective percentages of undivided interest in and to the General Common Elements. Proceeds on account of damage or destruction to Units shall be held in trust for the Owners of the damaged or destroyed Units in proportion to the cost of repairing or reconstructing the damage or destruction suffered by each such Owner. In the event that a mortgagee endorsement has been issued as to any particular Unit, the share of such Unit Owner shall be held in trust for such Owner and his mortgagee as their interests may appear.

(c) Proceeds of insurance policies received by the Insurance Trustee shall be disbursed as follows:

- (1) If the damage or destruction for which the proceeds are paid is to be repaired or reconstructed, all expenses of the Insurance Trustee incurred in handling these funds shall be first paid and the remaining proceeds, or such portion thereof as may be required for such purpose, shall be disbursed in payment for such repairs or reconstruction as

hereinafter provided. Any proceeds remaining after defraying such expenses of the Trustee and paying the cost of repairs or reconstruction shall be disbursed to the beneficial owners, remittances to Unit Owners and their mortgagees being payable jointly to them. This is a covenant for the benefit of any mortgagee of a Unit and may be enforced by such mortgagee.

- (2) If it is determined as provided for in Section 4 of this Section XIII that the damage or destruction for which the proceeds are paid shall not be repaired or reconstructed, such proceeds shall be disbursed to such Persons as therein provided.
- (3) Any and all disbursements of funds, whether such funds consist of insurance proceeds, special assessments, sales proceeds or any combination thereof, to be made by the Trustee for any purpose whatsoever shall be made pursuant to and in accordance with a certificate of the Association signed by the President or Vice President and attested by the Secretary setting forth whether or not the damage or destruction is to be repaired or reconstructed and whether the damage or destruction was to the General or Limited Common Elements or one or more Units or both. If the damage or destruction is not to be repaired or reconstructed, said certificate shall direct that disbursements be made by the Trustee as provided in accordance with the terms of Section 4(c) of this Section XIII.

If the damage or destruction is to the General and Limited Common Elements and is to be repaired or reconstructed, said certificate shall also be signed by or on behalf of the mortgagee known by the Trustee to have the largest interest in or lien upon such General and Limited Common Elements and may direct that disbursements be made by the Trustee to those Persons and in such amounts as may be specified therein or, in the alternative, said certificate may authorize the Trustee to make disbursements upon and pursuant to such written authorizations as may be submitted to it by an architect or other Person named therein as having been

employed by the Association to supervise such repairs or reconstruction. If the damage or destruction is to one or more Units and is to be repaired or reconstructed, said certificate shall also be signed by or on behalf of the mortgagee or mortgagees, if any, known by the Trustee to have an interest in or lien upon such Units or Units and may direct that disbursements be made by the Trustee to those Persons and in such amounts as may be specified therein or, in the alternative, said certificate may authorize the Trustee to make disbursements upon and pursuant to such written authorizations as may be submitted to it by an architect or other Person named therein as having been employed by the Association to supervise such repairs or any such certificates or written authorization.

Section 4. Damage and Destruction.

(a) Immediately after the damage or destruction by fire or other casualty to all or any part of the Property covered by insurance written in the name of the Association, the Board of Directors or its duly authorized agent shall proceed with the filing and adjustment of all claims arising under such insurance and obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed Property. Repair or reconstruction, as used in this paragraph, means repairing or restoring the Property to substantially the same condition in which it existed prior to the fire or other casualty with each Unit and the General and Common Limited Elements having the same vertical and horizontal boundaries as before.

(b) Any such damage or destruction shall be repaired or reconstructed unless at least seventy-five percent (75%) of the total vote of the Association shall decide within 10 days after the casualty not to repair or reconstruct. If, for any reason, the amount of the insurance proceeds to be paid as a result of such damage or destruction or reliable and detailed estimates of the cost of repair or reconstruction are not made available to the Association within said period of 10 days after the casualty, then such period shall be extended until such information shall be made available to the

Association; provided, however, that said extension of time shall in no event exceed 30 days after the casualty. No mortgagee shall have any right to participate in the determination as to whether the damage or destruction shall be repaired or reconstructed. The discretion of the Association in this regard is limited by Section 27-31-250 of the South Carolina Code of Laws.

(c) In the event that it is determined by the Association in the manner prescribed above that the damage or destruction shall not be repaired or reconstructed, then and in that event (1) the Property shall be deemed to be owned in common by the Unit Owners, and the Association shall file in the R.M.C. Office for Spartanburg County a certificate stating that the Property is removed and released from the Horizontal Property Regime established herein, setting forth the reasons for such removal, (2) the undivided interest in the Property owned in common which shall appertain to each Unit Owner shall be the percentage of undivided interest previously owned by such Owner in the General and Limited Common Elements, (3) any liens affecting any of the Units shall be deemed to be transferred in accordance with the existing priorities to the percentage of undivided interest of the Unit Owner in the Property, and (4) the Property shall be subject to an action for partition at the suit of any Unit Owner in which event the net proceeds of sale shall be paid to the Trustee. Said net proceeds of sale, together with the net proceeds of the insurance on the Property, shall be considered as one fund which, after paying all expenses of the Trustee, shall be divided among all of the Unit Owners in a percentage equal to the percentage of undivided interest owned by each Owner in the Property, after first paying out of the respective share of the Unit Owners, to the extent sufficient for the purpose, all liens on the undivided interest in the Property owned by each Unit Owner. Disbursements to such Owners shall be made as provided for in Section 3 of this Section XIII.

Section 5. Repair and Reconstruction.

(a) If the damage or destruction for which the insurance proceeds are paid to the Trustee is to be repaired or reconstructed and such proceeds are not sufficient to defray the cost thereof, the Board shall without a vote of the members, levy a Special Assessment against all Owners of the damaged Units, and against all Owners or the owners of Units in the appropriate Building(s) in the case of damage to the General and Limited Common Elements, in sufficient amounts to provide funds to pay such excess cost of repair or reconstruction. Additional Assessments may be made in like manner at any time during or following the completion of any repair or reconstruction. Such Assessments against Unit Owners for damage to Unit shall be in proportion to the cost of repair and reconstruction of their respective Units. Such Assessments on account of damage to the General and Limited Common Elements shall be in proportion to the Co-owners' proportionate shares in the General and Limited Common Elements.

(b) Any and all sums paid to the Association under and by virtue of those Special Assessments provided for above to defray the estimated excess cost of repair or reconstruction shall be deposited by the Association with the Insurance Trustee. The proceeds from insurance and Assessments, if any received by the Board, when the damage or destruction is to be repaired or reconstructed, shall be disbursed as provided for in Section 3 of this Section XIII.

Section 6. Minor Repairs.

(a) Notwithstanding the foregoing provisions of this Section XIII, in the event of damage by fire or other casualty to either the General and Limited Common Elements covered by insurance written in the name of the Association and if the insurance proceeds initially offered or paid therefore are less than One Thousand Dollars (\$1,000.00) and the estimated cost of repairing such damage is less than twice the amount of such proceeds then the instrument by means of which such proceeds are paid shall be endorsed by the Trustee and delivered to the Board, and the damage shall be repaired in accordance with the following provisions.

(b) If the damage is confined to the General and Limited Common Elements, such insurance proceeds shall be used by the Association to defray the cost of such repairs. If the cost of such repairs is less than the amount of such insurance proceeds, the excess shall be retained by the Association or its duly authorized agent and placed in the reserve maintenance fund or such other fund as may be established for the purpose of providing for the maintenance, repair and replacement of the General and Limited Common Elements. If the cost of such repairs exceeds the amount of such insurance proceeds, such excess may be provided either by means of a Special Assessment levied by the Board of Directors without a vote of the members, against all Owners in proportion to each Owner's share in the General and Limited Common Elements or by means of an appropriation from the reserve maintenance fund or such other fund as may be established for the purpose of providing for the maintenance, repair and replacement of the General or Limited Common Elements as the Board of Directors in the exercise of its sole discretion may determine.

(c) If the damage is confined to a single Unit, such insurance proceeds shall be used by the Association to defray the cost of such repairs. If the cost of such repairs is less than the amount of such insurance proceeds, the excess shall be paid jointly to the Owner and his mortgagee, if any, who may use such proceeds as they alone may determine. If the cost of such repairs exceeds the amount of such insurance proceeds, such excess shall be provided by means of a Special Assessment levied by the Board of Directors without a vote of the members, against the Owner of the damaged Unit. Payments for repairs, provided for in this subparagraph (c) shall be made only after all such repairs have been completed and approved by the Association, the Owner and his mortgagee, if any, which approval shall not be unreasonably withheld.

XIV

ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. Subject to the provisions of Sections 7 and 10 of this Article XIV, the Developer, for each Unit owned by it, hereby covenants, and each Owner of any Unit, by acceptance of a deed therefor whether or not it shall be so expressed in any such deed is deemed to covenant and agree to pay to the Association: (a) Annual Assessments or charges and (b) Special Assessments for capital improvements, such Assessments to be fixed, established and collected from time to time as hereinafter provided. The Annual and Special Assessments, together with such interest thereon and costs of collection thereof as are hereinafter provided, shall be a charge on and a continuing lien upon the Property against which each such Assessment is made. A notice claiming such lien may be filed for record by the Association in the Office of the Register of Mesne Conveyance of Spartanburg County, South Carolina, but in no event shall any claim of lien be filed until such sums remain unpaid for not less than 30 days after the same shall become due. Such a claim of lien shall also secure all Assessments which come due thereafter until the claim of lien is satisfied. Each Owner shall be liable for his portion of each Assessment coming due thereafter until the claim of lien is satisfied. Each Owner shall be liable for his portion of each Assessment coming due while he is the Owner of a Unit and his grantee shall be jointly and severally liable for such portion thereof as may be due and payable at the time of a conveyance but without prejudice to the rights of the grantee to recover from the grantor the amounts paid by the grantee therefor; provided, however, that any such grantee shall be entitled to a statement from the Board of Directors setting forth the amount of the unpaid Assessments against the grantor and such grantee shall not be liable for, nor shall the Unit conveyed be subject to a lien for, any unpaid Assessments against the Grantor in excess of the amount therein set forth. The Purchaser of a Unit at a judicial or foreclosure sale, or the grantee of a Unit in a deed in lieu of foreclosure, shall be liable only for Assessments coming due after the date of such sale.

Section 2. Purpose of Assessments. The Assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of the residents of the Property and in particular for the improvement and maintenance of the Property, services and facilities devoted to this purpose and related to the use and enjoyment of the General and Limited Common Elements and of the Units situated upon the Property. Such Assessments shall include, but shall not be limited to, funds for the actual costs to the Association of all administration, insurance, repairs, replacements and maintenance of the Units's and General and Limited Common Elements as may be required by the Master Deed and as may from time to time be authorized by the Association's Board of Directors. Other facilities and activities to be paid for by means of such Assessments include management fees, mowing grass, caring for the grounds, landscaping, exterior roofing (shingles) and outer surfaces of exterior walls of the Units, garbage pickup, water and sewerage services furnished to Units by the Association, and other charges as may be required by this Master Deed or that the Association's Board of Directors shall determine to be necessary to meet the primary purposes of the Association, including the establishment and maintenance of a reserve for repairs, replacements and maintenance and other charges as specified herein. (All of the above are herein sometimes referred to as "Common Expenses") It is anticipated that ad valorem taxes and governmental assessments, if any, upon the Property will be assessed by the taxing authorities upon the Unit Owners, and that each such Assessment will include the assessed value of the Unit and of the undivided interest of the Unit Owner in the General and Limited Common Elements. Any such taxes and Special Assessments upon the Property which are not so assessed shall be included in the budget of the Association as recurring expenses and shall be paid by the Association as a Common Expense. Each Unit Owner is responsible for making his own return of taxes and such return shall include such Owner's undivided interest in the General and Limited Common Elements.

Section 3. Basis and Maximum of Annual Assessments. Until December 31, 1980, the maximum Annual Assessment shall be \$540.00 for each Unit which is a part of the Property. It shall be paid on a monthly basis (\$45.00 per month) on the first day of each month.

(a) From and after January 1, 1981 the maximum Annual Assessment may be increased effective January 1st of each year without a vote of the Owners in conformance with the rise, if any, of the numerical rating for the preceding month of June above such rating for June, 1979, as established by the Spartanburg, South Carolina, Consumer Price Index for Urban Wage Earners and Clerical Workers (published by the Department of Labor, Washington, D.C.), the successor thereto or other comparable consumer price index should that described herein be discontinued or no longer made available to the Association.

(b) From and after January 1, 1981, the maximum Annual Assessment for any succeeding year may be increased above that established by the Consumer Price Index formula provided that any such change shall require the consent of a Majority of the votes of the Owners who are voting in person or by proxy, at a meeting duly called for this purpose, written notice of which shall be delivered to all Units or sent to all Owners not less than 30 days nor more than 60 days in advance of the meeting setting forth the purpose of the meeting.

(c) After consideration of current maintenance costs and other needs of the Association, the Board of Directors may fix the Annual Assessment at an amount not in excess of the maximum.

Section 4. Special Assessments for Capital Improvements. In addition to the Annual Assessments authorized above, the Board of Directors may levy Special Assessments for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of General and Limited Common Elements, including the necessary fixtures and personal property related thereto; provided that any such Assessment shall have the assent of two-thirds (2/3) of the votes of the Owners who are voting

in person or by proxy at a meeting duly called for this purpose, written notice of which shall be delivered to all Units or sent to all Owners not less than 30 days nor more than 60 days in advance of the meeting setting forth the purpose of the meeting.

Section 5. Rate of Assessment. Subject to the provisions of Sections 7 and 10 of this Article XIV, and unless otherwise expressly provided herein, each Owner's share of both the Annual and Special Assessments shall be in proportion to his percentage of undivided interest in and to the General Common Elements as provided for herein and as shown on Exhibit "C".

Section 6. Date of Commencement of Annual Assessments: The Annual Assessments provided for in this Article XIV shall be established on a calendar year basis and shall commence as to each Unit conveyed by the Developer to another Owner as of the first day of the month following the conveyance. Beginning with the 1981 Annual Assessment, the Board of Directors shall fix the amount of the Annual Assessment against each Unit and deliver written notice of same to each Unit or send written notice of same to every Owner subject thereto as least 10 days in advance of each Annual Assessment period. Unless otherwise provided by the Board of Directors, one-twelfth (1/12) of the Annual Assessment for each Unit shall become due and payable on the first day of each month during the Assessment period and shall be paid to the Association when due without further notice from the Association. The obligation of the Developer to pay Annual Assessments for all Units owned by Developer shall begin on the first day of the first month following the recording of this Master Deed.

Section 7. Effect of Non-Payment of Assessments: Remedies of the Association. Any Assessments which are not paid when due shall be delinquent. If the Assessment is not paid within thirty (30) days after the due date, the Assessment shall bear interest from the date

of delinquency at the rate of eight percent (8%) per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose its lien against such Owner's Unit, in which event, interest, costs and attorney's fees equal to twenty-five (25%) of the principal amount shall be added to the amount of such Assessments as may then be due. Each Owner, by his acceptance of a deed to a Unit, vests in the Association or its agents the right and power to bring all actions against him personally for the collection of such charges as a debt or foreclose the aforesaid lien in the same manner as other liens for the improvement of real property. The lien provided for in this Article XIV shall be in favor of the Association and shall be for the benefit of all other Owners. The Association, acting on behalf of the Owners, shall have the power to bid in the Unit at any foreclosure sale and to acquire, hold, lease, mortgage and convey the same. No Owner may waive or otherwise escape liability for the Assessments provided for herein by non-use of the General Common Elements or abandonment of his Unit.

Section 8. Priority of Lien. The lien of the Assessments provided for in this Article XIV shall be prior and superior to all other liens except (a) ad valorem taxes and (b) first mortgages on each Unit. The sale or transfer of any Unit shall not affect the Assessments lien; provided, however, that the sale or transfer of any Unit pursuant to the foreclosure of a first mortgage thereon or a deed in lieu of foreclosure, shall extinguish the lien of such Assessments as to the payments thereon which became due prior to such sale, transfer or deed in lieu. No such sale or transfer shall relieve such Unit from liability for any Assessments thereafter becoming due or from the lien thereof.

XVI

REMEDIES

In the event of any default by any Unit Owner under the provisions of this Master Deed, the aforesaid Horizontal Property Act, the By-Laws, or Rules and Regulations of the Association, the Association and the Board of Directors shall have each and all of the rights and

remedies which may be provided for in said Act (except as limited in the Master Deed or By-Laws), the Master Deed, the By-Laws or said Rules and Regulations or which may be available at law or in equity, and may prosecute any action or other proceedings against such defaulting party and/or others for enforcement of any lien, statutory or otherwise, including foreclosure of such lien and the appointment of a receiver for the Unit and ownership interest of such Owner, or for damages or injunction or specific performance or for judgment for payment of money and collection thereof, or for any combination of remedies, or any other relief. All expenses of the Association in connection with any such actions or proceedings, including court costs and attorneys fees and other fees and expenses, and all damages, liquidated or otherwise, together with interest thereon at the highest rate permissible under applicable laws, until paid, shall be charged to and assessed against such defaulting Unit Owner and shall be added to and deemed part of his assessment, collectable by the Association as hereinabove provided. In the event of any such default by any Unit Owner, the Association shall have the authority to correct such default, and to do whatever may be necessary for such purpose, and all expenses in connection therewith shall be charged to and assessed against such defaulting Unit Owner. Any and all of such rights and remedies may be exercised at any time and from time to time, cumulatively or otherwise, by the Association or its Board of Directors.

XVII

COMMON SURPLUS

The "Common Surplus" (meaning all funds and other assets of the Association, including excess of the receipts of the Association over amount of the Common Expenses) shall be owned by the Owners of all Units in the same proportion that the undivided interest in General Common Elements and Limited Common Elements appurtenant to each Co-owner's Unit bears to the total of all undivided interests in General Common Elements and Limited Common Elements appurtenant to all Units; provided, however, that said common surplus shall be held by the Association in the manner described herein, and subject to the terms, provisions and conditions hereof which impose certain limitations and

restrictions upon the use and distribution of said Common Surplus. Except for distribution of insurance proceeds as herein provided, or termination of Carriage House Horizontal Property Regime, any distribution of Common Surplus which may be made from time to time shall be made to the then Co-owners of Units in accordance with their percentage interest in Common Surplus. The decision to distribute Common Surplus must be by vote of two-thirds of the Unit Co-owners.

XVII

TERMINATION

Except for fire or other casualty or disaster (in which event this Master Deed may be terminated by the Board of Directors as provided in Article XIII, Section 4(c)), this Master Deed and Regime may only be terminated by the unanimous consent of all of the Co-owners of all Units and all of the Parties holding mortgages, liens or other encumbrances against any of said Units, in which event, the termination of Carriage House Horizontal Property Regime shall be by such plan as may be then adopted by the Association and parties holding any mortgages, liens or other encumbrances. Such election to terminate this Master Deed and Regime established herein shall be executed in writing by all of the aforesaid parties, and such instrument or instruments shall be recorded in the R.M.C. Office for Spartanburg, South Carolina.

XVIII

AMENDMENT OF MASTER DEED

This Master Deed may be amended at any regular or special meeting of the Unit Co-owners of the Regime, called and convened in accordance with the By-Laws, by the affirmative vote of Voting Members casting not less than two-thirds (2/3rds) of the total vote of the members of the Association.

All Amendments shall be recorded and certified, as required by the Act. No Amendment shall change any Unit, nor a Unit's proportionate share of the Common Expenses or Common Surplus, nor the voting rights appurtenant to any Unit, unless the record Owner(s) thereof, and all records owners of mortgages or other voluntarily placed liens thereon, shall join in the execution of the Amendment.

No Amendment shall be passed which shall impair or prejudice the rights and priorities of any mortgagees. No Amendment shall change the provisions of this Master Deed with respect to institutional mortgagees without the written approval of all institutional mortgagees of record.

Amendments which are authorized by this Master Deed and by the Act, and which are made prior to the date on which the Developer delivers management of the Association to the Unit owners, shall become effective when approved and recorded in the manner hereinabove provided; provided, however, that such Amendments shall not affect materially any rights of any then existing mortgage holder or Unit Owner. In the event that such an Amendment does affect materially any such right, the Amendment shall be valid only upon the written consent thereto of all of the then existing mortgage holders and a majority of the then existing Unit Owners. Such Amendments shall be certified by the Developer as having been duly approved in accordance with this Article and shall be effective when recorded in the Office of the Register of Mesne Conveyance of Spartanburg County, South Carolina.

XIX

MISCELLANEOUS PROVISIONS

Section 1. Default in Payment of Taxes. In the event a Unit Owner defaults in the payment of any ad valorem taxes assessed against his Unit, the Association will have the right to cure such default and to treat the amount spent in so doing as a lien against the Owner's Unit, enforceable as hereinabove provided with respect to regular and special Assessments against such Unit.

Section 2. Association Board of Directors. The Developer shall have the continued right to designate one member of the Board of Directors of the Association until such time as the Developer chooses to relinquish that right. The person so designated shall not be required to be the Owner of a Unit, and such person shall be entitled to vote on any matter affecting the Developer without disqualification even though selected by and even if affiliated with the Developer.

Section 3. Right of Access of Developer to Complete the Project.

Each person who hereafter becomes an Owner consents to the Developer, its successors, assigns or designees, going and working upon the General and Limited Common Elements in order for the Developer to complete the renovation of the Project.

Section 4. Reservation of Right to Connect Utilities.

The Property is subject to utility easements for telephone, electricity, water and sewer. The Developer, its successors and assigns, reserves the right to connect to said utilities for future projects or additional projects whether they be Horizontal Property Regimes, apartment projects, planned unit developments, single family residences, commercial developments, or otherwise.

Section 5. Certain Rights of Holders of Institutional First

Mortgages. Any institutional holder of a first mortgage on a Unit will, upon request, be entitled to: (a) inspect the books and records of the Property and the Association during normal business hours; and (b) receive an annual audited financial statement of the Association within 90 days following the end of any fiscal year; and (c) receive written notice of all meetings of the Owners. Any such mortgage holder shall also be permitted to designate a representative to attend all such meetings. In the event of substantial damage to or destruction of any Unit or any part of the General or Limited Common Elements, any institutional holder of a first mortgage on a Unit will be entitled to timely written notice of any such damage or destruction and no provision of this Master Deed nor any action of the Association will entitle the Owner of a Unit or other party to priority over such institutional holder with respect to the distribution of insurance proceeds attributable to the Unit. If any Unit or portion thereof or any of the General or Limited Common Elements or any portion thereof is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, then such first mortgage holder will be entitled to timely written notice of any such proceeding or proposed acquisition; and no provision of this Master Deed nor any action of the Association will entitle the Owner of a Unit or other party to priority over such

institutional holder with respect to the distribution to such Unit of the proceeds of any award or settlement.

Section 6. Condemnation. In the event that one or more Unit, or any part or parts thereof, shall be taken by any authority having the power of eminent domain, the awards or proceeds therefrom shall be distributed directly to the Owners of such Units and/or their mortgagees. Following the completion of such procedure, this Regime shall be deemed and considered amended to the extent necessary to delete such Unit and its Owner from the Regime itself and ownership therein. The Association shall then have the right to make such adjustments as shall be necessary to compensate for the deletion of such Units, including additions to the Annual and Special Assessments, amendments to the percentage rights of the remaining Owners in the ownership of the General and Limited Common Elements, etc. Proceeds from the taking of any General Common Elements shall be paid to the Association, to be retained or used by the Association or distributed to Unit Owners in accordance with decisions to be made by the Association.

Section 7. Reservation of Right of Developer to Grant Easements. The Developer hereby reserves the right to grant easements to the proper public authorities for sewer lines and facilities, water lines, telephone lines, cable television lines, and gas service lines, until the date when Developer turns over management of the Association, as hereinabove provided.

Section 8. Binding Effect. The restrictions and burdens imposed by this Master Deed are intended to and shall constitute covenants running with the land, and shall constitute an equitable servitude upon each Unit and its appurtenant undivided interest in General Common Elements and Limited Common Elements. This Master Deed shall be binding upon the Developer, its successors and assigns, and upon all parties who may subsequently become Owners of Units in Carriage House Horizontal Property Regime, and their respective heirs, legal representatives, successors and assigns.

Section 9. Severability and Rule Against Perpetuities. If any provision of this Master Deed or the By-Laws shall be held invalid it

shall not affect the validity of the remainder of the Master Deed and the By-Laws. If any provision of either said instrument would otherwise violate the rule against perpetuities or any other rule, statute or law imposing time limits, then such provision shall be deemed to remain in effect until the death of the last survivor of the now living descendant of Gary Jordan of Greenville County, South Carolina, plus twenty-one (21) years thereafter.

IN WITNESS WHEREOF, the undersigned corporation by its duly authorized officers hereby sets its hand and seal the day and year first above written.

SIGNED, SEALED AND DELIVERED
IN THE PRESENCE OF:

Gary J. Jordan

Nancy D. Bostrom

AMERICAN SERVICE CORPORATION OF S.C.

By: Donald A. Belt
President

Attest: William R. Wrenth

STATE OF SOUTH CAROLINA

COUNTY OF SPARTANBURG

Personally appeared before me the undersigned witness and made oath that (s)he saw the within named American Service Corporation of S. C., by and through its authorized officers, sign, seal and as the act and deed of the corporation deliver the within Master Deed and that said witness together with the other witness whose name is also above subscribed witnessed the execution of the within Master Deed.



Sworn to before me this 7th
day of November, 1979.



Notary Public for South Carolina
My Commission expires: 11-14-83

EXHIBIT A

LEGAL DESCRIPTION

All that lot or parcel of land in the City of Spartanburg, being more particularly described as: BEGINNING at a point in the northerly margin of Dover Road, said point being the southeasterly corner of Lot 19, Block 3, of a map entitled Section One, Wadsworth Hills, Spartanburg, South Carolina, recorded at Map Book 52 at Pages 692-695 of the Spartanburg Public Records; thence with the easterly boundary of said map in four courses as follows: (1) north 1-07 west, 142.69 feet, (2) north 89-07 east, 140.0 feet, (3) north 1-19 east, 53.07 feet, (4) north 4-20 east, 395.0 feet to a point in the rear line of Lot 25, Block 3 of said map; thence, with the rear lines of Lots 7 and 8, Block 3 Section Four as shown on a map recorded at Map Book 58, Pages 98-100, south 81-01-20 east, 343.59 feet to a point; thence, with the easterly most lines of Lots 9, 10, 11, and 15 of said Block 3, Section Four as follows: (1) north 14-15 east, 210.0 feet to a point; (2) north 20 east, 205.0 feet to a point; (3) north 27-50 east, 95.0 feet to a point; and (4) north 20-10 east, 85.0 feet to a point; thence north 34-20 east, 150.0 feet to a point in the rear line of Lot 18, Block 1 as shown on said Map of Section 4; thence continuing with 3 calls in the rear line of said Lot 18 as follows: (1) north 25-50 east, 75.0 feet to a point; (2) north 8 east, 35.0 feet to a point; and (3) north 59-30 east, 85.0 feet to a point in the southerly line of the Ralph Steadings property, north 84-53-30 east, 295.0 feet to an old stone and iron, the northwesterly corner of the R. B. Cleveland Estate; thence with the R. B. Cleveland Estate Lines in two courses as follows: (1) south 6-12 west, 848.95 feet to an old stone; (2) south 13-48 east, 347.0 feet to an iron, the northeasterly corner of the Jessie P. Cleveland property; thence with the Jessie P. Cleveland lines in two courses as follows: (1) south 73-34-30 west, 870.96 feet to an old iron; (2) south 8-04-30 east, 25.27 feet to a point in the southerly margin of Dover Road; thence with the southerly margin of Dover Road in a westerly direction in three courses as follows: (1) with the arc of a circular curve to the right having the radius of 427.57 feet a distance of 208.20 feet, (2) north 78-31-30 west, 46.36 feet; (3) with the arc of a circular curve to the left having a radius of 409.16 feet a distance of 97.62 feet; thence crossing Dover Road north 2-11-40 west, 50.0 feet to the place of BEGINNING. Containing approximately 21.302 acres as shown on a survey by A. Alan Wallwork, R.L.S., dated August, 1969, as revised January 19, 1972.

EXHIBIT "C"

CARRIAGE HOUSE

<u>UNIT NUMBER</u>	<u>BASIC VALUE</u>	<u>PERCENT</u>
1430-A	\$34,950	.77%
1430-B	34,950	.77%
1430-C	34,950	.77%
1430-D	34,950	.77%
1430-E	34,950	.77%
1432-A	39,950	.89%
1432-B	34,950	.77%
1432-C	34,950	.77%
1432-D	34,950	.77%
1432-E	34,950	.77%
1432-F	39,950	.89%
1434-A	39,950	.89%
1434-B	39,950	.89%
1434-C	39,950	.89%
1434-D	34,950	.77%
1434-E	34,950	.77%
1434-F	34,950	.77%
1436-A	34,950	.77%
1436-B	39,950	.89%
1436-C	34,950	.77%
1436-D	34,950	.77%
1436-E	34,950	.77%
1436-F	34,950	.77%
1436-G	39,950	.89%
1438-A	39,950	.89%
1438-B	34,950	.77%
1438-C	34,950	.77%
1438-D	34,950	.77%
1438-E	34,950	.77%
1438-F	34,950	.77%
1438-G	34,950	.77%
1438-H	39,950	.89%
1440-A	39,950	.89%
1440-B	39,950	.89%
1440-C	39,950	.89%
1440-D	34,950	.77%
1440-E	34,950	.77%
1440-F	34,950	.77%
1442-A	34,950	.77%
1442-B	39,950	.89%
1442-C	39,950	.89%
1442-D	34,950	.77%
1442-E	34,950	.77%
1442-F	39,950	.89%
1444 Clubhouse	39,950	.89%
1446-A		
1446-B	34,950	.77%
1446-C	34,950	.77%
1446-D	34,950	.77%
1446-E	34,950	.77%
1446-F	34,950	.77%
1446-G	34,950	.77%
1446-H	34,950	.77%
1448-A	34,950	.77%
1448-B	34,950	.77%
1448-C	34,950	.77%
1448-D	34,950	.77%
1448-E	34,950	.77%
1448-F	34,950	.77%
1448-G	34,950	.77%
1448-H	34,950	.77%
1450-A	34,950	.77%
1450-B	34,950	.77%

2 BIRNIS
88
3 BIRNIS
36

CARRIAGE HOUSE

<u>UNIT NUMBER</u>	<u>BASIC VALUE</u>	<u>PERCENT</u>
1450-C	34,950	.77%
1450-D	34,950	.77%
1450-E	39,950	.89%
1450-F	39,950	.89%
1452-A	39,950	.89%
1452-B	39,950	.89%
1452-C	34,950	.77%
1452-D	34,950	.77%
1452-E	39,950	.89%
1452-F	39,950	.89%
1454-A	39,950	.89%
1454-B	39,950	.89%
1454-C	39,950	.89%
1454-D	39,950	.89%
1456-A	39,950	.89%
1456-B	39,950	.89%
1456-C	34,950	.77%
1456-D	34,950	.77%
1456-E	34,950	.77%
1456-F	34,950	.77%
1458-A	34,950	.77%
1458-B	34,950	.77%
1458-C	34,950	.77%
1458-D	34,950	.77%
1458-E	34,950	.77%
1458-F	34,950	.77%
1460-A	34,950	.77%
1460-B	34,950	.77%
1460-C	34,950	.77%
1460-D	34,950	.77%
1460-E	34,950	.77%
1460-F	34,950	.77%
1462-A	34,950	.77%
1462-B	34,950	.77%
1462-C	34,950	.77%
1462-D	34,950	.77%
1462-E	34,950	.77%
1462-F	34,950	.77%
1464-A	34,950	.77%
1464-B	34,950	.77%
1464-C	34,950	.77%
1464-D	34,950	.77%
1464-E	34,950	.77%
1464-F	34,950	.77%
1466-A	39,950	.89%
1466-B	39,950	.89%
1466-C	34,950	.77%
1466-D	34,950	.77%
1466-E	34,950	.77%
1466-F	34,950	.77%
1468-A	39,950	.89%
1468-B	39,950	.89%
1468-C	34,950	.77%
1468-D	34,950	.77%
1468-E	34,950	.77%
1468-F	34,950	.77%
1468-G	39,950	.89%
1468-H	39,950	.89%
1470-A	34,950	.77%
1470-B	34,950	.77%
1470-C	39,950	.89%
1470-D	39,950	.89%

"EXHIBIT D"

BY-LAWS OF
CARRIAGE HOUSE ASSOCIATION

ARTICLE I.

NAME AND LOCATION OF ASSOCIATION: The name of this organization is Carriage House Association. It is a non-profit corporation organized under the laws of the State of South Carolina.

ARTICLE II.

PURPOSE: The purpose of this organization is to act on behalf of its members collectively as their governing body with all respect to the administration, maintenance, repair and replacement of that certain property which has been submitted to the provisions of the Horizontal Property Act of South Carolina and known as Carriage House Horizontal Property Regime.

ARTICLE III.

MEMBERSHIP:

Section 1. The members shall consist of all of the co-owners of that property known as Carriage House Horizontal Property Regime, in accordance with the respective percentages of ownership of said co-owners in the General Common Elements of the property. Such respective percentages of ownership shall be determined in accordance with the provisions of the Master Deed by which the said property has been submitted to the provisions of the Horizontal Property Act of South Carolina, to which Master Deed a copy of these By-Laws has been appended.

Section 2. Except as provided herein or in the Master Deed, membership shall not be transferable. The membership of each unit Co-owner shall terminate upon a sale, transfer or other disposition of his ownership interest in the Property, accomplished in accordance with the provisions of the Master Deed, and thereupon the membership shall automatically transfer to and be vested in the new Co-owner succeeding to such ownership interest. The Association may, but shall not be required to, issue certificates or other evidence of membership therein.

ARTICLE IV.

MEETINGS OF MEMBERS:

Section 1. Meetings of the membership shall be held at the property, or at other such place in the County in which the property is located, as may be specified in the Notice of Meeting.

Section 2. The first annual meeting of the members shall be within thirty (30) days after the sale of two-thirds (2/3) of the Units in the Regime (as defined in the Master Deed), or at such earlier date as declared by the Developer named therein, American Service Corporation of South Carolina. Thereafter, an annual meeting of the members shall be held on the third Monday of the month of January, or in the event that day is a legal holiday, on the first day thereafter which is not a legal holiday in each succeeding year. At such meeting there shall be elected by ballot of the members a Board of Directors in accordance with the provisions of ARTICLE V of these By-Laws. The members shall also transact such other business as may properly come before them.

Section 3. It shall be the duty of the President to call a Special Meeting of the members as directed by resolution of the Board of Directors or upon a Petition signed by the Co-owners of thirty percent (30%) of the ownership interest in the General Common Elements. The Notice of any Special meeting shall state the time, place and purpose thereof. No business shall be transacted at a Special Meeting except as stated in the said Notice unless with the consent of four-fifths (4/5) of the members present, either in person or by proxy.

Section 4. It shall be the duty of the Secretary, or upon his failure or neglect then of any officer or member, to mail by United States Mail, postage prepaid, a Notice of each Annual or Special Meeting stating the purpose, the time and place thereof to each member of record, or the Notice may be delivered to each unit. Any member may waive notice of the meeting by doing so in writing before, at or after the meeting.

Section 5. The presence, either in person or by proxy, of the owners of at least fifty-one (51%) of the ownership interest in the

General Common Elements shall be requisite for and shall constitute a quorum for the transaction of business at all meetings of members.

Section 6. If at any meeting of members a quorum shall not be in attendance, those members who are present may adjourn the meeting from time to time until a quorum can be obtained.

Section 7. The aggregate number of votes for all unit Co-owners shall be one hundred (100) and shall be divided among the respective members in accordance with their respective percentages of ownership interest in the General Common Elements. The Developer may exercise the voting rights with respect to any Units owned by the Developer.

Unless a different vote is required by express provision of any Statute or of these By-Laws or the Master Deed, each question presented at a meeting shall be determined by a majority vote of at least fifty-one percent (51%) of the votes represented at the meeting.

With respect to all elections of Directors, each member shall be entitled to cast as many votes for Directors as there are Directors to be elected, provided, however, that no member may cast more than one (1) vote for any person nominated as Director, it being the intent hereof that voting for Directors shall be non-cumulative.

Section 8. The vote of any corporate, partnership or trust member may be cast on its behalf by any officer, partner, or beneficiary of such member and any such member may appoint its officer, partner, beneficiary or any other member as its proxy. Any individual member may appoint only his or her spouse or another member as a proxy. Each proxy must be filed with the secretary prior to the commencement of a meeting, or at the time that proxies are called for. Proxies shall be valid only for the particular meeting designated thereon.

ARTICLE V.

BOARD OF DIRECTORS:

Section 1. The affairs of the Association shall be governed by a Board of Directors which shall consist of five (5) persons. Except for such member as may be appointed by the Developer in accordance with the provisions of the Regime, each Director shall be a Unit

owner or the spouse of a Unit owner; or if a Unit owner shall be a corporation, partnership or trust, then an officer or beneficiary of such Unit owner.

Section 2. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and shall have all powers and duties referred to in the Master Deed and may do all such acts and things provided by the Horizontal Property Act of South Carolina to be done by a Counsel of Co-Owners or by the Unit Co-owners collectively, except such acts or things as are by law or by these By-Laws or by the Master Deed directed to be exercised and done by the members individually. The powers of the Board of Directors shall include but not be limited to the following:

- (a) To elect the officers of the Association;
- (b) To administer the affairs of the Association and the Property;
- (c) To engage the services of manager or managing agent for the Property and to fix the terms of such engagement and the compensation and authority of such manager or managing agent;
- (d) To promulgate such rules and regulations concerning the operation and use of the Property or of the General or Limited Common Elements as may be consistent with the Master Deed and these By-Laws and to amend the same from time to time;
- (e) To provide for the maintenance, repair and replacement of the General and Limited Common Elements;
- (f) To estimate and adopt an annual operating budget and to provide for the assessment and collection from the unit Co-owners their respective shares of the estimated expenses as hereinafter provided;
- (g) To use the proceeds of assessment in the exercise of its powers and duties;
- (h) To purchase insurance on the property and insurance for the protection of the association and its members;
- (i) To reconstruct improvements after casualty and to further improve the property;

(3) To employ personnel to perform services required for the proper operation of the Property.

Section 3. At the first Annual Meeting of members, the term of office of two (2) Directors shall be fixed for three (3) years; the term of office of two (2) Directors shall be fixed at two (2) years and the term of office of one (1) Director shall be fixed at one (1) year. The Directors shall hold office until their successors have been elected and qualified.

Section 4. Vacancies in the Board of Directors caused by any reason, including the failure of a Director to continue to meet the qualifications of office, shall be filled by election by the members at the next Annual Meeting or at a Special Meeting called for such purpose.

Section 5. The Annual Meeting of the Board of Directors shall be held immediately following the Annual Meeting of the members and at the same place. Special Meetings of the Board may be called by the President or a majority of the Board on three (3) days notice to each Director by mail or telegraph. Directors may waive a Notice of a Meeting or consent to or take any action without a formal meeting.

Section 6. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business and any action may be taken by the majority of those present.

Section 7. Any Director may be removed from office by the vote of members owning at least three-fourths (3/4) of the ownership interest in the General Common Elements.

Directors shall receive no compensation for their services except as expressly provided by a resolution duly adopted by the members.

Section 8. The Board shall have no authority to approve or authorize any capital expenditures in excess of \$10,000.00 nor to authorize the corporation to enter into any contract for a term of

more than three (3) years without the approval of a majority of the Unit Co-owners.

ARTICLE VI.

OFFICERS:

Section 1. The officers of the Association shall be a President, one or more Vice Presidents, a Secretary, a Treasurer, and such assistants to such officers as the Board may deem appropriate, which officers shall be elected at each Annual Meeting of the Board of Directors and shall hold office at the pleasure of the Board.

Section 2. Any officer or board member may be removed at any meeting by the affirmative vote of the majority of the members of the Board of Directors, either with or without cause, and any vacancy in any office may be filled by the Board at any meeting thereof.

Section 3. Each respective officer of the Association shall have such powers and duties as are usually vested in such office of a nonprofit corporation, including but not limited as follows:

(a) The President shall be a director and shall be the Chief Executive Officer of the Association and shall preside at all meetings of the members of the Board of Directors;

(b) The Vice President shall, in the absence or the disability of the President, perform the duties and exercise the powers of such office;

(c) The Secretary shall keep Minutes of all Meetings of the members and of the Board of Directors and shall have custody of the Association Seal and have charge of the membership transfer books and such other books, papers and documents as the Board of Directors may prescribe;

(d) The Treasurer shall be responsible for Association funds and securities and for keeping full and accurate accounts of all receipts and disbursements in Association books of account kept for such purpose.

Section 4. The officers shall receive no compensation for their services except as expressly provided by a resolution duly adopted by the members.

ARTICLE VII.

FISCAL MANAGEMENT:

Section 1. The fiscal year of the Association shall begin on the first day of January each year, except the first fiscal year of the Association shall begin at the date of organization and end on December 31 of that year. The commencement date of the fiscal year herein established shall be subject to change by the Board of Directors.

Section 2. Books and accounts of the Association shall be kept under the direction of the Treasurer and in accordance with customary accounting principals and practices. Within a reasonable time after the close of each fiscal year, the Association shall furnish its members with a statement of the income and disbursements of the corporation for such prior fiscal year.

Section 3. With respect to each fiscal year, the Board shall estimate the amount required by the Association to meet its expenses for such year, including but not limited to the following items:

- (a) Management and administration expenses;
- (b) The estimated cost of repairs, maintenance and replacements of General and Limited Common Elements;
- (c) The cost of such utilities as may be furnished by the Association;
- (d) The amount of such reserves as may be reasonably established by the Board, including general operating reserves, reserves for contingencies, and reserves for replacments;
- (e) Such other expenses of the Association as may be approved by the Board of Directors including operating deficiencies, if any, for prior periods.

Within ninety (90) days from the commencement of each fiscal year, the Board of Directors shall cause an estimated annual budget to be prepared based on its estimations of annual expenses and membership assessments, and copies of such budget shall be furnished to each member.

On or before the first day of each month of the fiscal year covered by such estimated annual budget, each member shall pay as his

respective monthly assessment one-twelfth (1/12) of his proportionate share of the amount designated in the estimated annual budget as Annual Assessments. The proportion share of the Annual Assessments attributed to each Unit shall be equal, irrespective of the relative ownership by such Unit owner in the General Common Elements.

Until the annual budget for a fiscal year is sent to each member by the Board, the member shall continue to pay that amount which had been established on the basis of the previous estimated annual budget.

If any member shall fail or refuse to make payment of his proportionate share of the common expenses when due, the amount thereof shall constitute a lien on the interest of such member in the Property. The Association and the Board shall have the authority to exercise and enforce any and all rights and remedies provided in the Horizontal Property Act, the Master Deed, or these By-Laws, or are otherwise available at law or in equity for the collection of all unpaid assessments.

Section 4. If at any time during the course of any fiscal year, the Board shall deem the amount of the membership assessments to be inadequate by reason of a revision in its estimate of either expenses or other income, the Board shall prepare and cause to be delivered to the members a revised estimated annual budget for the balance of such fiscal year and thereafter monthly assessments shall be determined and paid on the basis of such revision, so long as it does not violate the limitations on such increases set forth in the Master Deed.

Section 5. Upon the purchase of each Unit from the Developer, or at any time thereafter, at the request and at the option of the Board of Directors, each Unit owner, not including the Developer, shall deposit with the managing agent of the property, or as may be otherwise directed by the Board, an amount equal to double the monthly assessment relating to such owner's Unit. Such amount shall be held, together with the amounts similarly deposited by the other Unit owners, as an operating reserve for common expenses and shall be used and applied from time to time as may be needed toward meeting

deficits and for such other common purposes as the Board may deem necessary. This deposit will not be returned to the Unit owner when he resells his Unit, however, no purchaser in any resale shall ever be required to make such a deposit. The original purchaser will therefore be entitled to contract with any new purchaser to receive reimbursement of such amount from the new purchaser at the closing of the resale.

Section 6. Anything herein or in the Master Deed to the contrary notwithstanding, the Developer shall have the right to utilize any Units owned by the Developer as models or general sales officer for sale and promotion purposes including the sale and promotion of property or projects other than the Property and shall have the right to utilize the General Common Elements for such purposes and in such manner as the Developer may reasonably require.

ARTICLE VIII.

Roberts Rules of Order (latest edition) shall govern the conduct of the meetings when not in conflict with the By-Laws and Statutes of South Carolina.

ARTICLE IX.

These By-Laws may be amended or modified at any time, or from time to time, by the action or approval of a two-thirds (2/3rds) of the unit owners their votes being weighted according to their ownership of the original Common Elements at that time; except the By-Laws affecting the rights or interests of the Developer shall not be amended or modified without the written consent of the Developer. Also, this Article shall not abridge, amend or alter the rights of institutional mortgagees without their prior written consent.

ARTICLE X.

Any holder of any first mortgage on a Unit will be entitled to written notification from the Association of any default in the performance by any unit Co-owner of any obligation under the Master Deed, these By-Laws, or any resolution of the Association, if such default is not cured within sixty (60) days after it occurs.

DEEC92-K PG 324

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Recording Fee: \$10.00 Documentary Stamps: \$0.00
Office of Register of Deeds, Spartanburg, S.C.
Stephen Ford, Register



STATE OF SOUTH CAROLINA) AMENDMENT TO MASTER DEED
) ESTABLISHING CARRIAGE HOUSE
COUNTY OF SPARTANBURG) HORIZONTAL PROPERTY REGIME

WHEREAS, American Service Corporation of S.C. has heretofore submitted certain properties situate on Dover Road, Spartanburg, South Carolina, to a Horizontal Property Regime known as Carriage House Horizontal Property Regime by Master Deed dated November 7, 1979, recorded on November 12, 1979, in Deed Book 46-Z, page 213, RMC Office for Spartanburg County; and

WHEREAS, the Master Deed was amended by that certain Certificate of Amendment to Carriage House Horizontal Property Regime By-laws of Carriage House Association, Inc. As Contained in Declaration of Condominium (Master Deed) dated February 14, 1984, recorded February 14, 1984, in Deed Book 50-E, page 255, RMC Office for Spartanburg County; and

WHEREAS, Carriage House Association (the "Association"), a nonprofit corporation organized and existing under the laws of the State of South Carolina, is an association of the Co-Owners of the condominium units in the Carriage House Horizontal Property Regime; and

WHEREAS, the Co-Owners desire to make certain amendments to the Master Deed; and

WHEREAS, these amendments ("Amendments") have been approved by the affirmative vote of Voting Members casting not less than two-thirds (2/3) of the total vote of the members of the Association at a meeting of the Association duly noticed, called, convened and held on the 17th day of September, 2008; and

WHEREAS, all capitalized terms not otherwise defined herein shall have their respective meanings set forth in the Master Deed.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS that the Association and the Co-Owners hereby amend the Master Deed as follows:

Article XIV - Assessments. Section 7, entitled "Effect of Non-Payment of Assessments: Remedies of the Association," is hereby amended by deleting the second sentence of that section and placing in its stead, in lieu thereof, the following:

"If the Assessment is not paid within thirty (30) days after the due date, a late fee in an amount approved by the Board of Directors shall be added to the Assessment, and the

Assessment shall bear interest from the date of delinquency at the South Carolina statutory rate of prejudgment interest in effect on the date of delinquency, and the Association may bring an action at law against the Co-Owner personally obligated to pay the same or foreclose its lien against such Co-Owner's Unit, and in either event, interest and all costs and attorney's fees incurred by the Association shall be added to the amount of such Assessments as may then be due."

Except as amended hereby, the Master Deed, and any prior amendments thereto, shall continue in full force and effect.

IN WITNESS WHEREOF, the Association has executed these Amendments this 29 day of September, 2008.

Elizabeth McDawson
Symas

CARRIAGE HOUSE ASSOCIATION

By: Ollie A. McNeil
Ollie McNeil, President

Attest: Mindy Bollhoefer
Mindy Bollhoefer, Secretary

STATE OF SOUTH CAROLINA)
)
COUNTY OF SPARTANBURG)

ACKNOWLEDGMENT

I, G. Vincent Retard, do hereby certify that the within-named Carriage House Association, by Ollie McNeil, its President, and by Mindy Bollhoefer, its Secretary, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and official seal this the 29 day of September, 2008.

A. Vincent Retard
Notary Public for South Carolina

My Commission Expires: (SEAL) My Commission Expires
October 4, 2017

DEE-2015-28000



DEE BK 109-K PG 739-743

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Recording Fee: \$11.00

Office of REGISTER OF DEEDS, SPARTANBURG, S.C.

Dorothy Earle, Register Of Deeds

STATE OF SOUTH CAROLINA)	AMENDMENT TO MASTER DEED
))	ESTABLISHING CARRIAGE HOUSE
COUNTY OF SPARTANBURG)	HORIZONTAL PROPERTY REGIME

WHEREAS, American Service Corporation of S.C. has heretofore submitted certain properties situate on Dover Road, Spartanburg, South Carolina, to a Horizontal Property Regime known as Carriage House Horizontal Property Regime by Master Deed dated November 7, 1979, recorded on November 12, 1979, in Deed Book 46-Z, page 213, RMC Office for Spartanburg County; and

WHEREAS, the Master Deed was amended by that certain Certificate of Amendment to Carriage House Horizontal Property Regime By-laws of Carriage House Association, Inc. as contained in Declaration of Condominium (Master Deed) dated February 15, 1984, recorded February 14, 1984, in Deed Book 50-E, page 255, RMC Office for Spartanburg County;

WHEREAS, the Master Deed was further amended by that certain Amendment to Master Deed Establishing Carriage House Horizontal Property Regime dated September 29, 2008, recorded October 1, 2008, in Deed Book 92-K, page 324, RMC Office for Spartanburg County;

WHEREAS, Carriage House Condominiums Homeowners Association, a/k/a Carriage House Association (the "Association"), a nonprofit corporation organized and existing under the laws of the State of South Carolina, is an association of the Co-Owners of the condominium units in the Carriage House Horizontal Property Regime; and

WHEREAS, in connection with a sale by the Association of certain property that is subject to the Master Deed, the Association desires to make certain amendments to the Master Deed; and

WHEREAS, the sale of such property has been approved by the affirmative vote of Voting Members casting not less than eighty percent (80%) of the total vote of the members of the Association; and

WHEREAS, all capitalized terms not otherwise defined herein shall have their respective meanings set forth in the Master Deed.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS that the Association hereby amends the Master Deed as follows:

Exhibit A to the Master Deed is hereby deleted in its entirety and replaced by the Exhibit A attached hereto.

Except as amended hereby, the Master Deed, and any prior amendments thereto, shall continue in full force and effect.

[Signature appears on the following page]

IN WITNESS WHEREOF, the Association has executed this Amendment this 30th
day of June, 2015

CARRIAGE HOUSE CONDOMINIUMS
HOMEOWNERS ASSOCIATION, A/K/A CARRIAGE
HOUSE ASSOCIATION

[Signature] By: [Signature]

[Signature] Attest: Trannie Mosley, Pres.

STATE OF SOUTH CAROLINA)
)
COUNTY OF SPARTANBURG)

ACKNOWLEDGMENT

I, Whitney S. Bishop, do hereby certify that the within-named Carriage House Condominiums Homeowners Association, by Sheryl Turner Watts, its President, and by Trannie Mosley, its Treasurer, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and official seal this the 30th day of June, 2015.

[Signature]
Notary Public for South Carolina

My Commission Expires: 4-30-22
(SEAL)

EXHIBIT A

LEGAL DESCRIPTION

All that lot or parcel of land in the City of Spartanburg, being more particularly described as: BEGINNING at a point in the northerly margin of Dover Road, said point being the southeasterly corner of Lot 19, Block 3, of a map entitled Section One, Wadsworth Hills, Spartanburg, South Carolina, recorded at Map Book 52 at Pages 692-695 of the Spartanburg Public Records; thence with the easterly boundary of said map in four courses as follows: (1) north 1-07 west, 142.69 feet, (2) north 89-07 east, 140.0 feet, (3) north 1-19 east, 53.07 feet, (4) north 4-20 east, 395.0 feet to a point in the rear line of Lot 25, Block 3 of said map; thence, with the rear lines of Lots 7 and 8, Block 3 Section Four as shown on a map recorded at Map Book 58, Pages 98-100, south 81-01-20 east, 343.59 feet to a point; thence, with the easterly most lines of Lots 9, 10, 11, and 15 of said Block 3, Section Four as follows: (1) north 14-15 east, 210.0 feet to a point; (2) north 20 east, 205.0 feet to a point; (3) north 27-50 east, 95.0 feet to a point; and (4) north 20-10 east, 85.0 feet to a point; thence north 34-20 east, 150.0 feet to a point in the rear line of Lot 18, Block 1 as shown on said Map of Section 4; thence continuing with 3 calls in the rear line of said Lot 18 as follows: (1) north 25-50 east, 75.0 feet to a point; (2) north 8 east, 35.0 feet to a point; and (3) north 59-30 east, 85.0 feet to a point in the southerly line of the Ralph Steadings property, north 84-53-30 east, 295.0 feet to an old stone and iron, the northwesterly corner of the R. B. Cleveland Estate; thence with the R. B. Cleveland Estate Lines in two courses as follows: (1) south 6-12 west, 848.95 feet to an old stone; (2) south 13-48 east, 347.0 feet to an iron, the northeasterly corner of the Jessie P. Cleveland property; thence with the Jessie P. Cleveland lines in two courses as follows: (1) south 73-34-30 west, 870.96 feet to an old iron; (2) south 8-04-30 east, 25.27 feet to a point in the southerly margin of Dover Road; thence with the southerly margin of Dover Road in a westerly direction in three courses as follows: (1) with the arc of a circular curve to the right having the radius of 427.57 feet a distance of 208.20 feet, (2) north 78-31-30 west, 46.36 feet; (3) with the arc of a circular curve to the left having a radius of 409.16 feet a distance of 97.62 feet; thence crossing Dover Road north 2-11-40 west, 50.0 feet to the place of BEGINNING. Containing approximately 21.302 acres as shown on a survey by A. Alan Wallwork, R.L.S., dated August, 1969, as revised January 19, 1972.

LESS AND EXCEPT

All that certain piece, parcel or tract of land, situate, lying and being in the City of Spartanburg, County of Spartanburg, State of South Carolina, being described as Parcel III and being 0.935 acre and being further described having metes and bounds as follows, to-wit:

COMMENCING at a nail found in pavement of Dover Road said point also being the common corner with Parcel I – Tract A of the property of Spartanburg Market Square Associated, LP;

Thence running along the common boundary with Spartanburg Market Square Associated, LP, North 73Degrees 52 Minutes 36 Seconds East, 413.71 feet; to an iron pin found capped the common corner with the property of Carriage House Condominiums Homeowners Association, the POINT OF BEGINNING; thence turning and running along the common boundary with the property of Carriage House Condominiums Homeowners Association, North 31 Degrees 17 Minutes 03 Seconds East, 147.67 feet to an iron pin found capped; thence turning and continuing along the common boundary with Carriage House Condominiums Homeowners Association, North 73 Degrees 53 Minutes 58 Seconds East, 354.79 feet to an iron pin found capped at a point on the common boundary with the property of Triangle Real Estate of Gastonia; thence turning and running along the common boundary with the property of Triangle Real Estate of Gastonia, South 14 Degrees 06 Minutes 33 Seconds East, 100.00 feet to an iron pin found the common corner with the property of Spartanburg Market Square Associated, LP; thence turning and running along the common property boundary with the property of Spartanburg Market Square Associated, LP, South 73 Degrees 53 Minutes 39 Seconds East, 459.99 feet to the POINT OF BEGINNING as shown on a plat of a survey prepared by Smith Surveyors, Inc on the 31st day of March in the year of our Lord 2015 and in the 238th year of the sovereignty and independence of the United States of America.

CARRIAGE HOUSE HOMEOWNERS ASSOCIATION, INC.

GENERAL RULES AND REGULATIONS

(REVISED NOVEMBER 1, 2018)

The following rules and regulations have been established by the Carriage House Homeowners Association Board of Directors. These rules and regulations may be amended, added to or eliminated by action of the Board of Directors and filed with Register of Deeds Office Spartanburg County.

1. NOISE

- A. Loud talking or any other unnecessary noise should not occur on walkways and parking areas between the hours of 11:00 PM and 9:00 AM.
- B. Radio, television, or other audio entertainment devices should not be operated at a volume which can be heard outside the home.

2. WASTE DISPOSAL

- A. Raw garbage is to be deposited in our dumpsters and should be wrapped securely in plastic bags.

- B. All excess trash (i.e, boxes, packing materials, papers) should be broken down and deposited in our dumpsters and should not be left on the street. All Fernbrook III residents are to use Fernbrook III dumpsters only. **Waste disposal company will not pick up any trash outside of our dumpsters.**

The disposal company will not remove furniture, appliances, Christmas trees, bedding, oil and paint. The Fernbrook III residents are responsible for their removal. If needed the Association can assist you for a fee. Fees are calculated based on the number of items. Please be sure that all sliding doors and tops are closed after depositing into dumpsters.

3. PETS

- A. Pets must be kept under control at all times. All dogs must be walked with a leash. No pets shall be allowed to roam throughout the community. Please be considerate of your neighbor's planting and privacy. Pets are not allowed to relieve themselves on neighbor's entrance, grassed areas, shrubbery, or sidewalks unless pet owner cleans it up.

- B. Pets cannot be permitted to disturb neighbors. Pets are not allowed in the pool area.

DEE-2019-1143



DEE BK 122-J PG 598-600

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Recording Fee: \$10.00

Office of REGISTER OF DEEDS, SPARTANBURG, S.C.
Dorothy Earle, Register Of Deeds

4. **PARKING**

- A. There are two parking spaces per unit so there will be space available for guests. Please make sure that guests do not park in your neighbor's space. Visitor's spaces are provided for visitor's use. Homeowner's should not park in these spaces.
- B. Vehicles are to be parked perpendicular to the curb, and in such a manner to allow maximum car parking spaces in the area assigned for that condominium unit.
- C. Pedestrians must be left space to walk easily on the sidewalk.
- D. No boats, travel trailers, disabled or wrecked vehicles, mobile homes or tents shall be placed, erected, or permitted to remain on the property. Absolutely no auto repairs are allowed on the property.
- E. Parking is permitted only in those areas provided for parking. All parked vehicles must have a current license plate tag or it will be towed away.

5. **COMPLAINTS**

All complaints are to be put in writing, signed and addressed to the property manager.

6. **SOLICITING**

There is to be no soliciting. Should any occur, please report them to the property manager or Board members.

7. **PROPERTY CHANGE INSTRUCTIONS**

No unit owner shall make any changes, alterations, enclosure, addition to or remove any portion of a unit without the consent of the Association. Request changes shall be submitted in writing to the Association.

8. **SIGN - DISPLAYS**

For aesthetic purposes, no "For Sale" signs or any other display piece shall be erected in any common area, it maybe displayed in the window of the unit.

9. **LEASE INSTRUCTIONS**

- A. All owners are to submit an application to the Board of Directors with a copy of the lease prior to confirmation of any lease. This form may be secured from the property manager.
- B. Lessee must have a copy of and agree to these rules and regulations prior to move in of a unit by the unit owner.

10. **CHILDREN'S PLAY**

- A. For the safety of your children, we urge you to prohibit their play on the streets of Carriage House. Skateboards, in-line skates and bicycles become particularly dangerous because of narrow streets and poor visibility.

B. No motorbikes, bicycles, or children's toys are to be left in the streets or on sidewalks. All items should be placed at the back of the units inside the patio.

11. **VACANT UNITS**

A. All vacant units must keep the heat set on a minimum of 55 degrees to prevent plumbing pipes from breaking during freezing temperatures. The owner will be held responsible for any damages caused by their negligence.

12. **PUBLIC SALES**

A. Yard sales, auctions, or estate sales of any kind are not permitted without the written consent of Board of Directors

Signature Board of Directors

Lorraine Mosley, President Date 11/1/18