

SEP 12 AM 11:40
SPARTANBURG, S.C.

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SPARTANBURG, S.C.

STATE OF SOUTH CAROLINA)
COUNTY OF SPARTANBURG)

DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS

WHEREAS, Yeargin Properties, Inc., has heretofore imposed certain restrictive covenants upon property situate on or near Somerset Drive in the County of Spartanburg, State of South Carolina, commonly known as "The Somerset", pursuant to a Declaration of Covenants, Conditions and Restrictions dated March 20, 1985 and recorded in the RMC Office for Spartanburg County in Deed Book 51-D at Page 189; and

WHEREAS, certain contiguous property was reserved for future development with the understanding that upon development such property would be subject to the same covenants, conditions and restrictions and become a part of the overall development.

NOW, THEREFORE, Yeargin Properties, Inc. does hereby declare that the aforesaid Declaration of Covenants, Conditions and Restrictions recorded in Deed Book 51-D at Page 189 shall be applicable to the property described hereinbelow and said property shall henceforth be subject to all of the terms, covenants, conditions and restrictions and easements set forth therein.

ALL those pieces, parcels or lots of land situate on or near Somerset Drive in the County of Spartanburg, State of South Carolina, being shown and designated as Lots Nos. 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20 and 21 on a plat entitled "The Somerset, Section II", prepared by Archie S. Deaton & Associates, dated September 3, 1985, reference to which is craved for a more complete description thereof.

IN WITNESS WHEREOF, Yeargin Properties, Inc. has caused this instrument to be executed this 12th day of September, 1985.

IN THE PRESENCE OF:

Kimberly Kay Cope
Alma P. [Signature]

YEARGIN PROPERTIES, INC.

By: George W. Price III
Its: Vice President

DEED 51 Q FILE 418

DEED 51 R FILE 347

STATE OF SOUTH CAROLINA)
COUNTY OF SPARTANBURG)

PROBATE

PERSONALLY appeared before me the undersigned, who, being duly sworn, says that (s)he saw Yeargin Properties, Inc. by its duly authorized officer, sign, seal and as its act and deed deliver the within Declaration and that (s)he with the other witness subscribed above witnessed the execution thereof.

SWORN TO before me this 12th)
day of September, 1985.)

Kimberly Kay Cope

Alvin J. [Signature] (SEAL)
Notary Public for South Carolina
My Commission Expires: 10/3/85

REC 510 189

STATE OF SOUTH CAROLINA)
COUNTY OF SPARTANBURG)

DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS

THIS DECLARATION, made on the date hereinafter set forth by Yeargin Properties, Inc., hereinafter referred to as "Declarant."

WITNESSETH:

WHEREAS, Declarant is the owner of certain property in the County of Spartanburg, State of South Carolina, which is more particularly described on Exhibit A attached hereto and made a part hereof.

NOW, THEREFORE, Declarant hereby declares that all of the properties described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants, and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with, the real property and be binding on all parties having any right, title or interest in the described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

RECORDED
MAR 20 11 09 AM '41
SPARTANBURG, S.C.

ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean and refer to The Somerset Association, Inc., its successors and assigns.

Section 2. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 3. "Properties" shall mean and refer to that certain real property hereinbefore described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 4. "Common Area" shall mean all real property (including the improvements thereto) owned by the Association for the common use and enjoyment of the owners. The Common Area to be owned by the Association at the time of the conveyance of the first lot is described on

Exhibit B attached hereto and made a part hereof. The common area shall be maintained by the Association.

Section 5. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of the Common Area.

Section 6. "Declarant" shall mean and refer to Yeargin Properties, Inc., its successors and assigns, if such successors or assigns should acquire more than one undeveloped Lot or either of the parcels of Property reserved for future development from the Declarant for the purpose of development.

AMENDED

ARTICLE II

~~Deleted~~

ANNEXATION OF ADDITIONAL PROPERTIES

Section 1. Additional properties and improvements, including common area, may be annexed at the sole discretion of the Declarant in the manner provided in this Article to the Property herein described. Additional properties so annexed shall be merged with the Property and any other previously annexed property, and shall be subject to the provisions of this Declaration and to the Articles of Incorporation and By-Laws of the Association.

Section 2. At any time within seven (7) years following the date of incorporation of the Association, the Declarant may annex additional properties to the Property by executing and filing of record a document that this Declaration shall be applicable thereto. The total number of lots within the Property and that subsequently annexed shall not exceed 150. All properties annexed shall be contiguous to the Property or to property previously annexed. A description of all property which may be annexed pursuant to this section is contained in Schedule C, attached hereto and incorporated herein by reference as though fully set forth. Declarant is not obligated in any manner pursuant to this Declaration to annex or subject any portion of the property contained on Schedule C to this Declaration.

Section 3. In addition to annexations as provided in Section 2 of this Article, other contiguous property may be annexed at any time with the express consent of two-thirds (2/3) of each class of Members and by executing and filing of record a document that this Declaration should be applicable thereto.

ARTICLE III

PROPERTY RIGHTS

Section 1. Owners' Easements of Enjoyment. Every owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

(a) the right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area;

(b) the right of the Association to suspend the voting rights and right to use of the recreational facilities by an owner for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed 60 days for any infraction of its published rules and regulations;

(c) the right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer signed by two-thirds of each class of members has been recorded;

(d) the right of each lot owner to the exclusive use of the parking spaces assigned to each lot by Declarant as hereinafter provided;

(e) the right of the Association to enact, publish and enforce reasonable rules and regulations.

(f) the rights of others to the use of recreation facilities and amenities as provided in Section 5 hereinbelow.

Section 2. Delegation of Use. Any owner may delegate, in accordance with the By-Laws, his right of enjoyment to the Common Area and facilities to the members of his family, his tenants, or contract purchasers who reside on the property.

Section 3. Parking. The owner of each lot shall be entitled to the exclusive use of two parking spaces which shall be assigned by the Declarant at the time of conveyance. Additional parking spaces shall be provided within the common area for the common use of the owners' visitors or guests.

Section 4. Reservation of Easement for Future Development. The Declarant hereby reserves unto itself, and its successors and assigns, an easement over the streets, roadways, parking areas, common area and such residential lots as may be necessary for the purpose of constructing and maintaining improvements and related utilities upon the property reserved by Declarant for future development and annexation as provided in Article II hereof. The foregoing easement shall include, but not be limited to the right to enter upon the affected property for the purpose of constructing residences, installing all necessary utilities and related improvements together with the right to thereafter maintain such utilities over the property as installed.

Section 5. Use of Amenities. In the event that any property contiguous to the Property shall be developed by the Declarant as multi-family housing but is not annexed, the owners of such property shall be entitled to use the recreational facilities and amenities provided for herein upon payment of whatever admission or other fees may be set pursuant to Section 1(a) hereinabove and upon compliance with whatever rules and regulations are set by the Association. In addition, the Declarant covenants that the restrictive covenants and conditions for such contiguous property if developed by Declarant shall likewise provide that owners of the properties herein shall be entitled to use the recreational facilities and amenities provided by the Declarant in such contiguous property subject to payment by the owners of such reasonable fees

as shall be set by the association owning the facilities and compliance with whatever reasonable rules and regulations shall be set by the association owning the facilities.

ARTICLE IV

MEMBERSHIP AND VOTING RIGHTS

Section 1. Every owner of a lot which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

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

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

Class B. ~~The Class B~~ member(s) shall be the Declarant and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(a) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, or

(b) on December 31, 1990.

In the event that Declarant abandons construction of the project for a period of not less than one year, then the Class A members can vote, notwithstanding the provisions of this section, to cancel Class B membership.

ARTICLE V

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interests, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

AMENDED Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents in the Properties, for the improvement and maintenance of the Common Area and the roofs and gutters of the residences.

AMENDED Section 3. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment shall be One Hundred Forty-Four and No/100ths (\$144.00) Dollars per Lot.

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



annual assessment may be increased more than 5% above the maximum assessment for the previous year for the purpose of obtaining a Blanket insurance policy on the property if an election to obtain such a policy or policies is made by the members as provided in Article XI herein.

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

(c) 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 Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any painting and exterior maintenance, construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 5. Notice and Quorum for any Action Authorized Under Sections 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4 shall be sent to all members not less than 30 days nor more than 60 days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than 60 days following the preceding meeting.

Section 6. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots and may be collected on a monthly basis.

Section 7. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence as to all Lots on the first day of the month following the conveyance of the Common Area. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a lot is binding upon the Association as of the date of its issuance.

Section 8. Effect of Nonpayment of Assessment; Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of ten percent (10%) per annum. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

Section 9. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from

liability for any assessments thereafter becoming due or from the lien thereof.

ARTICLE VI

ARCHITECTURAL CONTROL

No building, fence, wall or other structure shall be commenced, erected or maintained upon the Properties, nor shall any exterior addition to or change or alteration therein be made, nor shall any major changes or additions be made in the landscape design of any lot until the plans and specifications showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by an architectural committee composed of three (3) or more representatives appointed by the Board. In the event said Board, or its designated committee, fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with.

ARTICLE VII

EXTERIOR MAINTENANCE

AMENDED
Section 1. In addition to maintenance of the common area, the Association shall provide exterior maintenance for all buildings, residences and improvements upon each lot which is subject to assessment hereunder as follows: replace and care for roofs, gutters, and downspouts. Such exterior maintenance shall not include glass surfaces or doors. In order to enable the Association to accomplish the foregoing, there is hereby granted to the Association an easement for unobstructed access over and upon each lot at reasonable times to perform maintenance as provided in this Article.

ALL OWNERS

All other exterior maintenance, including without limitations staining and/or painting the exterior of residences, repairing, replacing and caring for exterior building surfaces, trees, shrubs, grass, walks,

and other such exterior improvements shall be maintained by the Owners. The Association can elect upon a vote of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for that purpose to provide the exterior maintenance set out hereinbefore as the obligation of the Owners.

Section 2. No fence or wall of any material, including shrubbery, shall be erected in any front yard. Any Owner who fences or encloses any portion of his rear yard (which fence or enclosure shall require the prior written permit of the Association) may plant trees, shrubs, flowers, and grass in the fenced or enclosed portion as he elects and shall maintain the fence or enclosure as well as the enclosed portion at his own expense, provided that such enclosure does not hinder the Association in performing its maintenance duties as to the residence, or the common area. No such fence or enclosure, or the maintenance thereof, by an Owner shall reduce the assessment payable by him to the Association. If, in the opinion of the Association, any such Owner fails to maintain his fence or enclosure or the enclosed portion of the yard so that it becomes a visual nuisance to neighboring units, the Association may revoke the Owner's written enclosure permit and all rights to the maintenance thereof for a period not to exceed one year and the Association shall perform maintenance during the revocation period. The Owner shall insure that the enclosed portion remains open at all times for maintenance personnel during the revocation period. No Owner shall plant any vegetation in front of his residence except with the prior written approval of the Association.

Section 3. Notwithstanding anything to the contrary in this Declaration contained, if the Association shall incur any cost or expense for or on account of any item of maintenance, repair or other matter directly or indirectly occasioned or made necessary by any wrongful or negligent act or omission of any Owner or of any agent, employee or invitee of any Owner, or failure of the Owner to conform with the provisions of Section One above, such cost or expense shall not be borne by the Association

EXHIBIT A

ALL that piece, parcel or tract of land lying and being on the northern side of U. S. Highway #29 in the County of Spartanburg, State of South Carolina as shown on plat entitled "The Somersett" prepared by Blackwood Associates, Inc. dated March 7, 1985, recorded in the RMC Office for Spartanburg County, South Carolina in Plat Book 93 at Page 414, being shown and designated on said plat as Lots 1 through 9, together with a strip of land approximately 24 feet in width lying between the northern border of Somersett Drive and the southern border of Lots 1 through 9 on said plat and that area designated as "pool area" on said plat.

EXHIBIT E

ALL that piece, parcel or tract of land lying and being on the northern side of U. S. Highway #29 in the County of Spartanburg, State of South Carolina as shown on plat entitled "The Somerset" prepared by Blackwood Associates, Inc. dated March 7, 1985; recorded in the RMC Office for Spartanburg County, South Carolina in Plat Book 93 at Page 414, being shown and designated as a strip of land approximately 24 feet wide lying between the northern border of Somerset Drive and the southern border of Lots 1 through 9 on said plat and that area designated as "pool area" on said plat.

DEED 510 PAGE 216

EXHIBIT C

ALL that certain piece, parcel or lot of land consisting of 5.48 acres situate, lying and being in the County of Spartanburg, State of South Carolina, being shown and designated as Parcel 2A on plat entitled "Yeargin Properties Inc." dated June 11, 1979 and having, according to said plat, the following metes and bounds, to-wit:

BEGINNING at an iron pin on U. S. Highway #29 and running thence N. 8-39 E. 300.0 feet to an iron pin; thence turning and running N. 53-39 E. 125.0 feet to an iron pin; thence continuing N. 28-47 E. 233.4 feet to an iron pin; thence turning and running S. 33-08 E. 40.0 feet to an iron pin; thence continuing S. 65-09 E. 231.2 feet to an iron pin; thence continuing N. 87-51 E. 40.0 feet to an iron pin at the joint rear corner of a 5.00 acre parcel; thence turning and running S. 3-53 W. 521.3 feet to an iron pin; thence turning and running N. 81-29 W. 500.0 feet to the point of beginning, less that property described on Exhibit A hereto.

ALSO

ALL that certain piece, parcel or lot of land consisting of 5.00 acres situate, lying and being in the County of Spartanburg, State of South Carolina, being shown and designated as Parcel 2B on plat entitled "Yeargin Properties Inc." dated June 11, 1979 and having, according to said plat, the following metes and bounds, to-wit:

BEGINNING at an iron pin on U. S. Highway #29 and running N. 3-53 E. 521.3 feet to an iron pin; thence turning and running N. 87-51 E. 38.1 feet to an iron pin; thence continuing S. 77-31 E. 333.1 feet to an iron pin; thence continuing S. 62-06 E. 60.0 feet to an iron pin; thence turning and running S. 3-42 W. 485.4 feet to an iron pin; thence turning and running N. 81-29 W. 425.0 feet to the point of beginning.

ALSO

ALL that certain piece, parcel or lot of land consisting of 5.00 acres situate, lying and being in the County of Spartanburg, State of South Carolina, being shown and designated as Parcel 2C on plat entitled "Yeargin Properties Inc." dated June 11, 1979 and having, according to said plat, the following metes and bounds to-wit:

BEGINNING at an iron pin on U. S. Highway #29 and running N. 3-42 E. 485.4 feet to an iron pin; thence turning and running S. 62-06 E. 112.8 feet to an iron pin; thence continuing S. 69-47 E. 311.3 feet to an iron pin; thence turning and running S. 7-40 E. 45.4 feet to an iron pin; thence continuing S. 69-05 E. 31.2 feet to an iron pin; thence turning and running S. 11-57 E. 44.2 feet to an iron pin; thence continuing S. 35-10 E. 98.0 feet to an iron pin; thence continuing S. 57-27 E. 37.4 feet to an iron pin; thence turning and running S. 11-29 E. 218.4 feet to an iron pin; thence turning and running N. 81-29 W. 605.4 feet to the point of beginning.

EXHIBIT D

REC'D 510 MAR 217

BY-LAWS

OF

THE SOMERSETT ASSOCIATION, INC.

ARTICLE I

NAME AND LOCATION. The name of the corporation is The Somerset Association, Inc., hereinafter referred to as the "Association." The principal office of the corporation shall be located at 115 Edinburgh Court, Greenville, South Carolina 29607, but meetings of members and directors may be held at such place within the State of South Carolina, County of Spartanburg, as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 1. "Association" shall mean and refer to The Somerset Association, Inc., its successors and assigns.

Section 2. "Properties" shall mean and refer to that certain real property described in the Declaration of Covenants, Conditions and Restrictions, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 3. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the Owners.

Section 4. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of the Common Area.

Section 5. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 6. "Declarant" shall mean and refer to Yeargin Properties, Inc., its successors and assigns, if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

AMENDED

Section 7. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the Properties recorded in the Office of the R.M.C. for Spartanburg County, South Carolina.

Section 8. "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration.

ARTICLE III

MEETING OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the members shall be held within one year from the date of incorporation of the Association, and each subsequent regular annual meeting of the members shall be held on the same day of the same month of each year thereafter, at the hour of 8:00 o'clock P.M. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the president or by the Board of Directors, or upon written request of the members who are entitled to vote one-fourth (1/4) of all of the votes of the Class A membership.

Section 3. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least 15 days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence of the meeting of members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. If, however, such quorum shall not be

STATE OF SOUTH CAROLINA)
COUNTY OF GREENVILLE)

PROBATE

PERSONALLY appeared before me the undersigned witness and made oath that (s)he saw George W. Price, III as Secretary of YEARGIN PROPERTIES, INC., a corporation chartered under the laws of the State of South Carolina, sign, seal with its corporate seal and as the act and deed of said corporation deliver the within written instrument and that (s)he, with the other witness subscribed above, witnessed the execution thereof.

SWORN TO BEFORE me this 26th)
day of February, 1985.)
Dave A. Ellison (L.S.)
Notary Public for South Carolina
Commission Expires: 9-16-88

Mary C. Denton

present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

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

ARTICLE IV

BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of five (5) directors, who ~~need not be~~ ^{are} members of the Association. Provided, however, that the initial Board of Directors shall consist of three (3) directors who shall manage the affairs of the Association until the first annual meeting.

Section 2. Term of Office. At the ~~first~~ annual meeting the members shall elect five directors for a term of one year.

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

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

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

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Mgt. Company
AMENDED
AMENDED

CG 510 2220

ARTICLE V

NOMINATION AND ELECTION OF DIRECTORS

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

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Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such election, the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VI

MEETINGS OF DIRECTORS

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

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the president of the Association, or by any two directors, after not less than three (3) days notice to each director.

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

ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

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

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

(b) suspend the voting rights and right to use of the recreational facilities of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed 60 days for infraction of published rules and regulations;

(c) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration;

(d) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and

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

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

(a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such

statement is requested in writing by one-fourth (1/4) of the Class A members who are entitled to vote;

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

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

(1) fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period;

(2) send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and

(3) foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the owner personally obligated to pay the same.

(d) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

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

(f) cause all officers or employees having fiscal responsibilities to be bonded, as it may seem appropriate;

(g) cause the Common Area and the exterior of the residences to be maintained.

ARTICLE VIII

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Association shall be a president and vice-president, who shall at all times be members of the Board of Directors, a secretary, and a treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year, unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

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

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

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

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

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

President

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

Vice-President

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

Secretary

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

Treasurer

(d) The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the members.

ARTICLE IX

COMMITTEES

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

AMENDED

ARTICLE X

BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration, the Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XI

ASSESSMENTS

As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of ten (10%) percent per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for therein by non-use of the Common Area or abandonment of his Lot.

ARTICLE XII

CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: The Somerset Association, Inc.

ARTICLE XIII

AMENDMENTS

Section 1. These By-Laws may be amended, at a regular or special meeting of the members, by a vote of a majority of a quorum of members

present in person or by proxy, except that the Federal Housing Administration or the Veterans Administration shall have the right to veto amendments while there is Class B membership.

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

ARTICLE XIV

MISCELLANEOUS

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

IN WITNESS WHEREOF, we, being all of the directors of the The Somerset Association, Inc., have hereunto set our hands and seals this

26 day of February, 1985

Robert M. Cantrell

[Signature]

George W. Price III

CERTIFICATION

I, the undersigned, do hereby certify:

THAT I am the duly elected and acting secretary of The Somerset Association, Inc., a South Carolina corporation, and,

THAT the foregoing By-Laws constitute the original By-Laws of said Association, as duly adopted at a meeting of the Board of Directors thereof, held on the 26 day of February, 1985

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association, this 26 day of February, 1985

George W. Price III
Secretary

but by such Owner, and if paid out by the Association shall be paid or reimbursed to the Association by such Owner forthwith upon the Association's demand, and shall be collectible in the same manner as assessments. Prior to undertaking any maintenance upon any Unit the Association shall provide the Owner fifteen (15) days notice, as provided herein to perform the required maintenance or repair. If after fifteen (15) days notice corrective measures have not been taken by the Owner, the Association may enter the Unit to perform said maintenance and collect the costs therefore as aforesaid. As easement to each Unit is hereby granted to the Association to enter the Unit and perform the necessary maintenance or repair.

ARTICLE VIII

PARTY WALLS

Section 1. General Rules of Law to Apply. Each wall which is built as a part of the original construction of the residence upon the Property and placed on or near the dividing line between the Lots, and is subject to use by another residence, shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

Section 2. Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use.

Section 3. Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, and such loss is not compensable under the insurance carried by the Association as provided in Article XI, any Owner who has used the wall may restore it, and if the other Owners then or thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use, without prejudice, however, to the right of any such Owner to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

Section 4. Weatherproofing. Notwithstanding any other provision of this Article, an Owner who by his negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

Section 5. Right to Contribution Runs With Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

Section 6. Easement and Right of Entry for Repair, Maintenance and Reconstruction. Every Owner shall have an easement and right of entry upon the Lot of any other Owner to the extent reasonably necessary to perform repair, maintenance, or reconstruction of a party wall. Such repair, maintenance, or reconstruction of a party wall shall be done expeditiously, and upon completion of the work, the Owner shall restore the adjoining Lot or Lots to as near the same condition as that which prevailed prior to commencement of the work as is reasonably practicable.

Section 7. Certification With Respect to Contribution. If any Owner desires to sell his Lot, he may, in order to assure a prospective purchaser that no adjoining Owner has a right of contribution as provided in this Article, request of the adjoining Owner or Owners a certification that no right of contribution exists, whereupon it shall be the duty of each adjoining Owner to make such certification immediately upon request and without charge. If the adjoining Owner claims the right of contribution, the certification shall contain a recital of the amount claimed and the basis therefor. Failure of an Owner to make a certification written 10 days after receipt of written request shall be deemed a waiver of his rights to contribution.

Section 8. Arbitration. In the event of any dispute arising concerning a party wall, or under the provisions of this Article, such dispute shall be settled by arbitration as provided under the laws of the State of South Carolina as now or hereafter amended.

ARTICLE IX
USE RESTRICTIONS

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Section 1. Rules and Regulations. The Board of Directors of the Association shall have the power to formulate, publish, and enforce reasonable rules and regulations concerning the use and enjoyment of the yard space of each Lot and the Common Area. Such rules and regulations, along with all policy resolutions and policy actions taken by the Board of Directors, shall be recorded in a Book of Resolutions, which shall be maintained in a place convenient to the Owners and available to them for inspection during normal business hours.

Section 2. Use of Property. Each building, the residences therein, and the Common Area and facilities shall be for the following uses and subject to the following restrictions, and, in addition, to those set forth in the By-Laws:

(a) All buildings and the Common Area and facilities shall be used for residential and related common purposes. Each residence may not be subdivided and shall be used as a single-family residence and for no other purpose except that the Declarant may use one or more residences for offices and/or model residences during development and through the sell-out period.

(b) Nothing shall be kept and no activity shall be carried on in any building or residence or on the Common Area and facilities which will increase the rate of insurance applicable to residential use, for the Property or the contents thereof. No Owner shall do or keep anything, nor cause or allow anything to be done or kept, in his residence or on the Common Area and facilities which will result in the cancellation of insurance on any portion of the Property, or the contents thereof, or which will be in violation of any law, ordinance, or regulation. No waste shall be committed on any portion of the Common Area and facilities.

(c) No immoral, improper, offensive or unlawful use shall be made of the Property, or any part thereof, and all valid laws,

ordinances, and regulations of all governmental agencies having jurisdiction thereof shall be observed. All laws, orders, rules, regulations, or requirements of any governmental agency having jurisdiction thereof, relating to any portion of the Property, shall be complied with, by and at the sole expense of the Owner or the Association, whichever shall have the obligation to maintain or repair such portion of the Property.

(d) Nothing shall be done in or to any residence or in, to, or upon any of the Common Area and the facilities and improvements which will impair the structural integrity of any building, residence, or portion of the Common Area, facilities and improvements which would impair or alter the exterior of any building or portion thereof, except in the manner provided in this Declaration.

(e) No industry, business, trade, occupation, or profession of any kind, whether commercial or otherwise, shall be conducted, maintained, or permitted on any part of the Property, except that the Declarant or its agents may use any unsold residence or lease up to two residences for display purposes or contact offices in a residence during development and sell-out.

(f) No Owner shall display, or cause or allow to be displayed, to public view any sign, placard, poster, billboard or identifying name or number upon any residence, building or any portion of the Common Area and facilities, except as may be allowed by the Association pursuant to its By-Laws ~~provided, however, that the Declarant and any mortgagee who may become the Owner of any unit, or their respective agents, may place a "For Sale" sign on~~ any unsold or unoccupied residence and in suitable places on the Common Area.

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(g) No person shall undertake, cause, or allow any alteration or construction in or upon any portion of the Common Area and facilities except at the direction of and with the express written consent of the Association.

(h) After completion of development of all 55 units to be developed, the Common Area and facilities shall be used only for

the purposes for which they are intended and reasonably suited and which are incident to the use and occupancy of the residences, subject to any rules or regulations that may be adopted by the Association pursuant to its By-Laws.

(i) Each Lot Owner grants to other Lot Owners and the Association an easement to maintain in perpetuity all minor encroachments on a Lot of another Owner, or the Common Area of the Association, such as for utility meters, heat and air conditioning compressors and related equipment, and minor as built violations of property lines, which easement shall include rights of ingress and egress for repairs and maintenance of the same.

(j) No clothes lines shall be maintained upon, and no clothes shall be hung from any porches, decks, patios or balconies on the Property.

(k) All curtains, shades and window hangings shall conform to neutral colors in exterior construction appearance.

(l) No animals, livestock or poultry of any kind shall be kept on any Lot or in any residence except that dogs, cats or other household pets may be kept, provided they are not kept for commercial purposes. All household pets shall be kept within the residence or restrained in the rear yard and shall not be allowed within the common area except on a leash and when with the Owner.

(m) No outside radio or television antennas, satellite dishes or similar equipment shall be erected or maintained by any Lot Owner.

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Section 3. Quiet Enjoyment. No obnoxious or offensive activity shall be carried on upon the Property, nor shall anything be done which may be or may become a nuisance or annoyance to residents.

ARTICLE XI

COVENANTS OF OWNER TO KEEP UNITS INSURED AGAINST LOSS,
TO REBUILD AND TO KEEP IN GOOD REPAIR

Section 1.

(1) In the event the property or any part thereof or any of the residences thereon shall be damaged or destroyed by fire, other casualty,

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or any other cause or event whatsoever, the owner or owners of the property so damaged or destroyed shall cause it to be repaired, restored, or rebuilt, as the case may be, as rapidly as possible to at least as good a condition as existed immediately prior to such damage or destruction, subject only to the right of the Association (which right is hereby granted to the Association) to authorize and direct such different action as shall be recommended by the Board of Directors and approved by affirmative vote of not less than two-thirds (2/3) of the members entitled to vote, which majority shall include the affirmative vote of all members whose residential units shall have been damaged or destroyed and the holders of first mortgages on any such residential units.

(2) All repair, restoration or rebuilding pursuant to the provisions of this Article XI shall be carried out under such supervision and direction as the Board of Directors of the Association shall deem appropriate in order to assure the expeditious and correct completion of the work concerned, the owner or owners of each residence which shall have been damaged or destroyed shall fully cooperate with, and abide by all instructions and directions of, the Association in connection therewith.

(3) The Association is hereby given, and shall have the right reasonably to approve the architect, contractors and subcontractors, to be employed in connection with such repair, restoration or rebuilding; to select a contractor or contractors, to perform all or various parts of the work to be done upon the various residential units which shall have been damaged or destroyed by such casualty or other happening; to coordinate the progress of the work among such various residential units; and to hold the proceeds of any insurance which may be payable on account of such casualty or other happening and to control the disbursement thereof in such manner as to assure the sufficiency of funds for the completion of said work or for any other proper purpose.

(4) In any case in which the owner or owners of the residence concerned shall fail to carry out and see to such repair, restoration or rebuilding required by the provisions of this Article XI or shall request the Association to carry out and see to such repair, restoration or

rebuilding, and, in any case, where more than one contiguous residence shall be involved, the Association shall carry out and see to the repair, restoration or rebuilding required by the provisions of this Article XI, provided, however, that to the extent the insurance proceeds referred to in Paragraph (5) hereinbelow are insufficient as to any residence, the particular owner shall be responsible to the Association for such deficiency, and the Association shall have, and is hereby given, a continuing lien on the residence for which any such repairs or rebuilding are furnished by the Association in the aggregate amount of (a) the cost thereof, (b) interest at the highest rate permitted by law but not exceeding fifteen (15%) percent per annum nor less than eight (8%) percent per annum from the date of the Association's payment of such costs, and (c) reasonable attorney's fees and any court or other costs incurred by the Association in connection therewith, which lien shall bind such residence in the hands of such owner, his heirs, devisees, personal representatives, grantees and assigns. In the event such owner does not forthwith fully repay the Association therefor, as aforesaid, such lien may be foreclosed against the residential unit by the Association, in the same manner as hereinafter provided in connection with unpaid assessments. The Association's lien in this Paragraph (4) provided for shall be subordinate to the lien of any first mortgage made by an institution customarily making first mortgage loans on residences in Spartanburg County, Carolina, now or hereafter placed upon the residential unit.

(5) Each owner shall maintain in full force at all times insurance covering the residence owned by him consisting of, or providing all of the protections afforded by, the insurance now generally described as fire, extended coverage, additional extended coverage, to one hundred percent (100%) of the full insurable value thereof, with loss payable on the basis of the cost of replacement without deduction for depreciation. All such insurance shall be issued by companies reasonably acceptable to the Association, shall name the Association as an additional insured and shall provide that all proceeds becoming payable on account of loss or

of damage to such residential unit shall be payable to or as directed by the Association, subject only to the rights, limited as herein provided, of any mortgagee for value of the premises. The policies themselves or appropriate certificates showing the evidence of such insurance shall be furnished to the Association, (and new policies or certificates evidencing the renewal of each expiring policy of insurance shall be furnished to the Association), in each case at least ten (10) days prior to the expiration date of the expiring insurance. The policies or certificates shall contain a provision that prior to cancellation, the carrier shall give the Association at least ten (10) days written notice thereof. In the event a damaged or destroyed residence shall not be repaired, restored, or rebuilt pursuant to a decision not to repair, restore, or rebuild as provided in Paragraph (1), the proceeds of such insurance shall be payable to the owner, or to the mortgagee of his residence as provided in Paragraph (14) hereinbelow.

(6) The Association and its officers, directors, employees, agents and representatives shall have no liability to any owner for damage to or loss of either the residence of such owner or any personal property of said owner. Each insurer of any of said owner's interest in said residence or personal property shall be bound by the provisions of this Section 6 and shall, by appropriate provision in each policy of insurance concerned, waive its rights of subrogation against the Association and its officers, directors, employees, agents and representatives.

(7) The failure by any owner to carry, maintain, or renew any insurance required by this Article XI shall give the Association the right (but not the duty) to proceed to obtain such insurance or lesser coverage as it may deem advisable, and the cost thereof shall be due to the Association from the owner of the residence so insured forthwith upon demand, and such cost shall be collectible in the same manner as assessments as set forth in Article V.

(8) In the event that the Association finds it possible from time to time to effect broader or better coverage without increases in aggregate cost, or equivalent coverage at lesser cost, by obtaining a blanket

policy or policies of insurance upon all improvements on the Property, then upon two-thirds (2/3) vote of each class of members who are voting in person or by proxy at a meeting to be called for this purpose, the Association shall have and is hereby granted powers so to do, subject to the consent of the various first mortgage holders on the residences; and each owner shall accept and pay a proportionate share of the cost of such insurance, whether by regular assessment or otherwise, in lieu of providing and paying for the individual policies of insurance hereinabove provided for.

(9) In any case in which insurance proceeds shall not be paid or payable on account of any damage to, or destruction of, any residence, or shall be inadequate to fully cover the cost of repair, restoration, or rebuilding which the Association is by provisions of this Article XI required to carry out, the cost of such repair, restoration, or rebuilding in excess of the amount of insurance proceeds available shall be borne and paid for by the Association, but without diminishing or any way affecting any rights of recovery thereof which the Association may have by law against any person or persons who shall be directly or indirectly responsible for such damage or destruction by reason of any negligent or wrongful act or omission or against any owner for his failure to maintain insurance coverage in accordance with Section V.

(10) Notwithstanding any thing to the contrary herein contained, the obligations of the Association under the provisions of this Article XI shall be limited to the restoration and repair to or for so much of the residences as constitutes structural improvement upon the real estate and the Association shall not be responsible for repair, restoration, or replacement of any personal property of the owner or others which, although situated in, on or about the residences, shall not be attached thereto so as to form an affixed part thereof.

(11) Any owner may, if he wishes, at his own expense, carry any and all other insurance he deems advisable beyond that included in the homeowner's policy required by this Article. The Association may, but shall not be required to, obtain and maintain additional insurance as

its Board of Directors shall from time to time deem prudent with respect to damage to or destruction of any property which is the responsibility of the Association to maintain, or of any or all of the residences, from any cause not covered by the insurance hereinabove described, and may also obtain such other kinds of insurance protection against such other matters or happenings as its Board of Directors shall from time to time deem prudent.

(12) The Association shall also obtain a broad form public liability policy covering all the common area and all damage or injury caused by the negligence of the Association or any of its agents, officers, or employees, in an amount of not less than One Million Dollars for each occurrence and such a policy shall contain a waiver of the right of subrogation against members of the Association, its officers, agents, and employees.

(13) The Association shall maintain adequate fidelity coverage against dishonest acts by officers, directors, trustees and employees, and all others who are responsible for handling funds of the Association. Such fidelity bond shall: (a) name the Association as an insured party; (b) be written in an amount equal to at least one hundred fifty (150%) percent of the estimated annual operating expenses of the property, including reserves; (c) contain waivers of any defense based on the exclusion of persons who served without compensation from any definition of "employee" or similar expression.

(14) Notwithstanding the foregoing, to the extent required by the terms of any mortgage for value of any part of the property, the proceeds of any insurance becoming payable on account of any loss of or damage to the part of the property so mortgaged shall be first paid to such mortgagee to the extent of its interest; provided, however, that such mortgagee shall cause or permit all such proceeds received by it to be applied upon the cost of repair, restoration or rebuilding of such loss or damage; and shall not apply or seek to apply such proceeds to reduce such mortgage, except for any excess of such proceeds over the full cost

of such repair or restoration, unless it shall be determined in accordance with the provisions of this declaration that such loss or damage is not to be rebuilt or restored.

(15) If a dwelling is not habitable by reason of damage, and the owner gives notice of his election to repair or reconstruct the dwelling, the obligation of the owner to pay annual assessment installments shall be suspended either for a period of ninety (90) days or until the dwelling is restored to a habitable condition, whichever shall first occur. In the event a residence is damaged or destroyed and repair or reconstruction thereof has not yet commenced following the damage or destruction, the Association may remove or cause to be removed, all debris from the lot, so that it shall be placed in a neat, clean and safe condition, and cost of removal shall constitute a special assessment payable in the same manner as other assessments provided in Article V.

(16) The owner shall keep the dwelling unit in good repair except for repairs required to be made by the Association.

(17) Any residence which has been destroyed, in whole or in part, by fire or other casualty, and is subsequently restored or reconstructed, shall be subject to the provisions of this Declaration and to the By-Laws of the Association.

ARTICLE XII

GENERAL PROVISIONS

Section 1. Enforcement. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens, and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no wise affect any other provisions, which shall remain in full force and effect.

Section 3. Amendment. The covenants, conditions, and restrictions of this Declaration shall run with the land and bind the land for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first twenty (20) year period by an instrument signed by the Owners of not less than ninety percent (90%) of the Lots, and thereafter by an instrument signed by the Owners of not less than seventy-five percent (75%) of the Lots; provided, however, that the Board of Directors may amend this Declaration, without the consent of Owners, to correct any obvious error or inconsistency in drafting, typing, or reproduction. All amendments shall be certified as an official act of the Association and shall forthwith be recorded in the R.M.C. Office for Spartanburg County, South Carolina. All amendments shall become effective upon recordation.

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Section 4. Lease of Residence. No residence shall be leased for transient or hotel purposes, nor may any Owner lease less than the entire unit. Any lease must be in writing and provide that the terms of the lease and the occupancy of the unit shall be subject in all respects to the provisions of the Declaration of Covenants, Conditions and Restrictions and By-Laws of the Association and any failure by any lessee to comply with the terms of such documents shall be a default under the lease.

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Section 5. Conflicts. In the event of any conflict between the Declaration and the By-Laws of the Association, the provisions of this Declaration shall control.

ARTICLE XIII

RIGHTS OF FIRST MORTGAGEES

The following provisions, in addition to provisions set forth elsewhere in this Declaration, shall be applicable to the holders of first mortgages upon any Lot or the Property subject to this Declaration and any amendments thereto.

Section 1. This Declaration and other constituent documents are intended to create a Planned Unit Development (hereinafter called "PUD") within the meaning of the regulations of the Federal Housing Administration and the Federal Home Loan Mortgage Corporation and otherwise.

Section 2. Any first mortgagee who obtains title to a Lot pursuant to the remedies provided in the mortgage or foreclosure of the mortgage will not be liable for such lot's unpaid dues or charges which accrue prior to the acquisition of title to such unit by the mortgagee.

Section 3. Unless at least two-thirds (2/3) of the first mortgagees (based upon one vote for each first mortgage owned) or Owners (other than the sponsor, developer or builder) of the individual lots or residences have given their prior written approval, the owners, residents, members and Association shall not be entitled to:

(a) by act or omission seek to abandon, partition, subdivide, encumber, sell or transfer the common property owned, directly or indirectly, by such homeowners association, corporation or trust for the benefit of the Owners of any Lot (the granting of easements for public utilities or for other public purposes consistent with the intended use of such Common Area shall not be deemed a transfer within the meaning of this clause);

(b) change the method of determining the obligations, assessments, dues or other charges which may be levied against a Lot Owner;

(c) by act or omission change, waive or abandon any scheme of regulations, or enforcement thereof, pertaining to the architectural design or the exterior appearance of Lots, the exterior maintenance of Lots, the maintenance of the Common Area party walls or common fences, walks and driveways, or the upkeep of lawns and plantings in the Property;

(d) fail to maintain fire and extended coverage insurance on insurable Common Area Property and all buildings on all Lots on a current replacement cost basis in an amount not less than one hundred percent (100%) of the insurable value (based on current replacement cost);

(e) use hazard insurance proceeds for losses to any Common Area Property or buildings on any Lot other than the repair, replacement or reconstruction of the same.

Section 4. First mortgagees of any Lot may, jointly or singly, pay taxes or other charges which are in default and which may or have become

a charge against any Common Area Property and may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy, for such Common Area Property and first mortgagees making such payments shall be owed immediate reimbursement therefor from the Association. Entitlement to such reimbursement is hereby reflected in this Declaration as an agreement in favor of all first mortgagees of Lots in the Property duly executed by the Association, and an original or certified copy of such agreement is possessed by the Declarant.

Section 5. No provision of any PUD constituent document gives a Lot Owner, or any other party, priority over any rights of the first mortgagee of a Lot pursuant to its mortgage in the case of a distribution to Lot Owner of insurance proceeds or condemnation awards for losses to or a taking of Common Area Property.

Section 6. A first mortgagee, upon request, is entitled to written notification from the Association of any default in the performance by Lot Owner Borrower of any obligation under the PUD constituent documents which is not cured within sixty (60) days.

Section 7. Any agreement for professional management of the Association, or any other contract providing for services of the developer, sponsor, or builder, may not exceed a term of three (3) years. Any such agreement must provide for termination by either party without cause and without payment of a termination fee on ninety (90) days or less written notice.

IN WITNESS WHEREOF, the Declarant has caused this instrument to be executed this 26 day of February, 1985.

YEARGIN PROPERTIES, INC.

Cheryl D. Thompson

By: George W. Price III

Dorothy C. Doster

Its: Secretary

STATE OF SOUTH CAROLINA) AMENDMENT OF DECLARATION OF
) COVENANTS, CONDITIONS AND
COUNTY OF SPARTANBURG) RESTRICTIONS

WHEREAS, Yeargin Properties, Inc., (hereinafter referred to as the "Declarant"), set forth a Declaration of Covenants, Conditions and Restrictions on the property known as Somerset Subdivision and recorded such in Deed Book 51-D, Page 189 in the Register of Deeds Office for Spartanburg County, South Carolina; and

WHEREAS, the Declarant established the Somerset Association, Inc. (hereinafter referred to as the "Association") to manage and maintain the Subdivision and enforce the Covenants, Conditions and Restrictions; and

WHEREAS, the Association has proposed and approved changes to the Declaration of Covenants, Conditions and Restrictions and the Bylaws for the overall benefit of the Subdivision; and

WHEREAS, such amendments are authorized under Article XII Section 3 of the above Restrictions by an instrument signed by at least seventy-five percent (75%) of the Lot Owners, and

WHEREAS, the below Lot Owners comprise at least seventy-five percent (75%) of the total Lot Owners, and

WHEREAS, the required number of Lot Owners now amend the below described Covenants, Conditions and Restrictions and Bylaws,

NOW, THEREFORE, KNOW ALL, MEN BY THESE PRESENTS, that the Lot Owners:

1. Amends Article I, Section 6 to read as follows: "Declarant" shall from the recording of the Amendment of Restrictive Covenants mean The Somerset Association and its successors and assigns.
2. Delete in its entirety Article II.
3. Amends Article III, Section 4 to read as follows: The Declarant hereby reserves unto itself, and its successors and assigns, an easement over the streets, roadways, parking areas, common area and such residential lots as may be necessary for the purpose of constructing and maintaining improvements and related utilities. The foregoing easement shall include, but not be limited to, the right to enter upon the affected property for



the purpose of constructing, installing, effecting or maintaining all necessary utilities and improvements.

4. Amends and Deletes portions of Article IV, Section 2 to read in its entirety as follows: Members shall be Owners and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they determine, but in no event shall more than one vote be cast with the respect to any Lot.
5. Amends Article V, Section 2 to read as follows: Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents of the Properties, as well as for the improvement and maintenance of the Common Area.
6. Amends Article V, Section 3 to read as follows: Maximum Annual Assessment. (a) The maximum annual assessment may be increased each year without a vote of the membership, except that the maximum assessment may be increased by more than 5% above the maximum assessment for the previous year for the purpose of obtaining a blanket insurance policy on the property if an election to obtain such policy or policies is made by the members as provided in Article XI herein. (b) The maximum annual assessment may be increased above 5% by a vote of two-thirds (2/3) of the members who are voting in person or by proxy at a meeting duly called for this purpose.
7. Amends Article VII, Section 1 to read as follows: All exterior maintenance, including without limitations: staining and/or painting the exterior of residences; repairing, replacing and caring for exterior building surfaces, roofs, gutters, downspouts, trees, shrubs, grass, walks, and other such exterior improvements shall be maintained by the Owners.
8. Amends Article IX, Section 2(f) to read as follows: No Owner shall display, or cause or allow to be displayed, to public view any sign, placard, poster, billboard or identifying name or number upon any residence, building or any portion of the Common Area or facilities, except as may be allowed by the Association pursuant to its By-Laws, provided, however, that any Owner, or his/her respective agents, may place a "For Sale" sign in suitable places on the Common Area.

9. Amends Article IX, Section 2(m) to read as follows: No outside radio or television antennas, satellite dishes or similar equipment shall be erected or maintained by a Lot Owner, except as may be allowed by the Association.
10. Amends Article XII to read as follows: The covenants, conditions and restrictions of this Declaration shall run with the land and bind the land for a term of ten (10) years from the date of this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. The Declaration may be amended during the first ten (10) years by the Owners of not less than seventy-five percent (75%) of the Lots, and thereafter by an instrument signed by the Owners of not less than two-thirds (2/3) of the Lots; provided, however, that the Board of Directors may amend this Declaration, without the consent of the Owners, to correct any obvious error or inconsistency in drafting, typing or reproduction. All amendments shall be certified as an official act of the Association and shall forthwith be recorded in the Register of Deeds Office for Spartanburg County, South Carolina.
11. Amends Exhibit D, Article I to read as follows: The name of the corporation is The Somerset Association, Inc., hereinafter referred to as the "Association." The principal mailing address of the Association shall be 2 Somerset Drive, Spartanburg, South Carolina 29301, but meetings of members and directors shall be held at such place within the State of South Carolina, County of Spartanburg, as may be designated by the Board of Directors.
12. Amends Exhibit D, Article II, Section 6 to read as follows: "Declarant" shall mean and refer to the Somerset Association, Inc.
13. Amends Exhibit D, Article IV, Section 1 to read as follows: Number. The affairs of this Association shall be managed by a Board of five (f) directors, all of whom shall be members of the Association.
14. Amends Exhibit D, Article IV, Section 2 to read as follows: Term of Office. At the annual meeting, the members shall elect five directors for a term of one year.
15. Deletes in its entirety Article V, Section 1 of Exhibit D.

16. Amends Exhibit D, Article IX to read as follows: The Association may appoint an Architectural Control Committee, as provided in the Declaration, a Nominating Committee or other committees as deemed appropriate in carrying out its purpose.

All other covenants, conditions and restrictions in the above referenced Declaration of Covenants, Conditions and Restrictions are to remain in place and be construed as covenants running with the land and binding upon the said parties, their successors and assigns, and upon any purchasers of said property, their successors, heirs and assigns.

IN WITNESS WHEREOF, we have hereunto set our hands and seals this 11th day of March, 2014.

the purpose of constructing, installing, effecting or maintaining all necessary utilities and improvements.

4. Amends and Deletes portions of Article IV, Section 2 to read in its entirety as follows: Members shall be Owners and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they determine, but in no event shall more than one vote be cast with the respect to any Lot.
5. Amends Article V, Section 2 to read as follows: Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents of the Properties, as well as for the improvement and maintenance of the Common Area.
6. Amends Article V, Section 3 to read as follows: Maximum Annual Assessment. (a) The maximum annual assessment may be increased each year without a vote of the membership, except that the maximum assessment may be increased by more than 5% above the maximum assessment for the previous year for the purpose of obtaining a blanket insurance policy on the property if an election to obtain such policy or policies is made by the members as provided in Article XI herein. (b) The maximum annual assessment may be increased above 5% by a vote of two-thirds (2/3) of the members who are voting in person or by proxy at a meeting duly called for this purpose.
7. Amends Article VII, Section 1 to read as follows: All exterior maintenance, including without limitations: staining and/or painting the exterior of residences; repairing, replacing and caring for exterior building surfaces, roofs, gutters, downspouts, trees, shrubs, grass, walks, and other such exterior improvements shall be maintained by the Owners.
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14. Amends Exhibit D, Article IV, Section 2 to read as follows: Term of Office. At the annual meeting, the members shall elect five directors for a term of one year.
15. Deletes in its entirety Article V, Section 1 of Exhibit D.

16. Amends Exhibit D, Article IX to read as follows: The Association may appoint an Architectural Control Committee, as provided in the Declaration, a Nominating Committee or other committees as deemed appropriate in carrying out its purpose.

All other covenants, conditions and restrictions in the above referenced Declaration of Covenants, Conditions and Restrictions are to remain in place and be construed as covenants running with the land and binding upon the said parties, their successors and assigns, and upon any purchasers of said property, their successors, heirs and assigns.

IN WITNESS WHEREOF, we have hereunto set our hands and seals this _____th day of _____, 2013.

WITNESS:

Witness #1

Witness #2

SOMERSETT TOWNHOMES ASSOCIATION
434 MARION AVE
SPARTANBURG, SC 29306
864-585-0835

HOMEOWNER: _____
DATE: _____
STREET ADDRESS: _____
PHONE NUMBER: _____

TYPE OF REQUEST:

_____ Fence Building _____ Other _____

DESCRIPTION OF REQUEST:

CONTRACTOR: _____ PHONE: _____

Remit picture or detailed drawing with this request. If this is a fence request & you plan to stain it, remit your stain color as well.

APPROVED: _____ DATE: _____

DENIED: _____ DATE: _____

NOTES REGARDING APPROVAL/DENIAL:

FENCE REQUESTS: After fencing materials are approved, Homeowners must place four flags at the proposed fence corners and the Board must approve the site location BEFORE any installation begins.

Rules and Regulations – Effective June 10, 2014

Pursuant to Article IX, Section 1 of The Somersett Association's Declaration of Covenants, Conditions and Restrictions, the Board of Directors has the power to formulate, publish and enforce reasonable rules and regulations concerning the use and enjoyment of the yard space of each Lot and the Common Area. Additionally, pursuant to Article XII, Section 1, the Association has the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges currently or hereinafter imposed by the provisions of the Declaration of Covenants, Conditions and Restrictions.

All owners are responsible for knowing and abiding by these Rules and Regulations. Owners who rent property are responsible for ensuring their renters know and abide by them as well.

Violations of these Rules and Regulations will result in action by the Board. Upon a first offense, the offending resident shall receive a letter of warning. Each subsequent offense shall result in the issuance of a twenty-five dollar (\$25.00) fine.

The Board hereby issues the following Resolutions:

1. **Pets:** Pursuant to Article IX, Section 2(L), residents must keep all pets inside the residence or restrained in the rear yard. Pets shall be allowed in the Common Area only on a leash and when accompanied by a resident. Residents must clean up and properly dispose of any pet waste by collecting it into a bag or other receptacle to be provided by the resident and depositing it into a trash can or other proper waste container belonging to the resident.
2. **Clothes, Towels, Etc.:** Pursuant to Article IX, Section 2(J), no clothes lines shall be maintained upon, and no clothes, towels, etc. shall be hung from any porches, decks, patios or balconies on the Property.
3. **Garbage and Garbage Cans:** Residents shall not place or store garbage cans, garbage bags or other forms of debris or clutter in the front of the residence. All garbage containers shall be maintained along the side of or in the rear of the residence. Residents should attempt to prevent garbage containers from being visible from the road and parking areas.
4. **Parking:** Pursuant to Article III, Section 1(D) and Section 3:
 - a) Each unit has two (2) parking spaces. Neither residents nor their visitors/guests shall park a vehicle or place other property in a parking space belonging to another resident except when necessary and on a temporary basis without the other resident's permission.
 - b) Each residence has two (2) parking spaces, and each resident therefore is entitled to have two (2) vehicles. If special circumstances require a resident to

have more than two (2) vehicles, the resident must first petition the Board for permission to park the additional vehicle(s) on the Property.

- c) Neither residents nor their guests shall leave a vehicle or other property in any parking space, including spaces belonging to the resident, for an extended period of time, as residents' parking spaces are not intended to serve as long-term storage. Residents shall not allow disabled vehicles to remain on the Property.
 - d) Neither residents nor their guests shall occupy Common Area parking spaces with any vehicles or property for an extended period of time, as Common Area parking spaces are intended for use by residents' visitors/guests.
 - e) Fines issued under this provision will be assessed for each vehicle and/or item of property that is in violation. Furthermore, protracted failure to remove the vehicle and/or item of property may result in the vehicle and/or item of property being towed. The vehicle or property will be towed at owner's expense.
5. **Yard Maintenance:** Residents shall adequately maintain their front and side yards. Residents shall ensure that grass is cut regularly and hedges and other plants are regularly maintained so that front and side yards remain presentable. Protracted failure to maintain yards, hedges and plants may result in the Association hiring a contractor to perform the service. Any costs associated with yard maintenance that are incurred by the Association shall be reimbursed to the Association by the resident.
6. **Cabana:** Residents may reserve the cabana for functions, except on holidays. However, residents may not reserve the swimming pool. To reserve the cabana, residents must pay a sum of thirty-five dollars (\$35.00) and acquire a permit from Roland Management (864-585-0835). Additionally, the resident placing the reservation is responsible for paying for any damage done to the cabana or pool area during a scheduled function.

Rules and Regulations (Proposed) – May 18, 2014

Pursuant to Article IX, Section 1 of The Somerset Association's Declaration of Covenants, Conditions and Restrictions, the Board of Directors has the power to formulate, publish and enforce reasonable rules and regulations concerning the use and enjoyment of the yard space of each Lot and the Common Area. Additionally, pursuant to Article XII, Section 1, the Association has the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges currently or hereinafter imposed by the provisions of the Declaration of Covenants, Conditions and Restrictions.

All owners are responsible for knowing and abiding by these Rules and Regulations. Owners who rent property are responsible for ensuring their renters know and abide by them as well.

Violations of these Rules and Regulations will result in action by the Board. Upon a first offense, the offending resident shall receive a letter of warning. Each subsequent offense shall result in the issuance of a twenty-five dollar (\$25.00) fine.

The Board hereby issues the following Resolutions:

1. **Pets:** Pursuant to Article IX, Section 2(L), residents must keep all pets inside the residence or restrained in the rear yard. Pets shall be allowed in the Common Area only on a leash and when accompanied by a resident. Residents must clean up and properly dispose of any pet waste by collecting it into a bag or other receptacle to be provided by the resident and depositing it into a trash can or other proper waste container.
2. **Clothes, Towels, Etc.:** Pursuant to Article IX, Section 2(J), no clothes lines shall be maintained upon, and no clothes shall be hung from any porches, decks, patios or balconies on the Property.
3. **Garbage and Garbage Cans:** Residents shall not place or store garbage cans, garbage bags or other forms of debris or clutter in the front of the residence. All garbage containers shall be maintained along the side of or in the rear of the residence. Residents should attempt to prevent garbage containers being visible from the road and parking areas.
4. **Parking:** Pursuant to Article III, Section 1(D) and Section 3:
 - a) Each unit has two (2) parking spaces. Neither residents nor their visitors/guests shall park a vehicle or place other property in a parking space belonging to another resident except when necessary and on a temporary basis without the other resident's permission.
 - b) Each residence has two (2) parking spaces, and each resident therefore is entitled to have two (2) vehicles. If special circumstances require a resident to

have more than two (2) vehicles, the resident must first petition the Board for permission to park the additional vehicle(s) on the Property.

- c) Neither residents nor their guests shall leave a vehicle or other property in any parking space, including spaces belonging to the resident, for an extended period of time, as residents' parking spaces are not intended to serve as long-term storage. Residents shall not allow disabled vehicles to remain on the Property.
 - d) Neither residents nor their guests shall occupy Common Area parking spaces with any vehicles or property for an extended period of time, as Common Area parking spaces are intended for use by residents' visitors/guests.
 - e) Fines issued under this provision will be assessed for each vehicle and/or item of property that is in violation. Furthermore, protracted failure to remove the vehicle and/or item of property may result in the vehicle and/or item of property being towed. Any costs associated with towing that are incurred by the Association shall be reimbursed to the Association by the resident.
5. **Yard Maintenance:** Residents shall adequately maintain their front and side yards. Residents shall ensure that grass is cut regularly and hedges and other plants are regularly maintained so that front and side yards remain presentable. Protracted failure to maintain yards, hedges and plants may result in the Association hiring a contractor to perform the service. Any costs associated with yard maintenance that are incurred by the Association shall be reimbursed to the Association by the resident.
6. **Cabana:** Residents may reserve the cabana for functions, except on holidays. However, residents may not reserve the swimming pool. To reserve the cabana, residents must contact the Board and pay a sum of thirty-five dollars (\$35.00). The resident placing the reservation is responsible for any damage done to the cabana or pool area during a scheduled function.