Recorded: May 30, 1984
Deed Book 1213
Page 656-745
RMC Office, Greenville County, S.C.

STATE OF SOUTH CAROLINA)
)
COUNTY OF GREENVILLE)

MASTER DEED ESTABLISHING CREEKSIDE HORIZONTAL PROPERTY REGIME

THIS MASTER DEED, made this _____ day of _____, ____, by U.S. Retirement Corporation, a South Carolina corporation, hereinafter called "Developer";

W I T N E S S E T H:

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

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

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

I.

DEFINITIONS

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

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

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

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

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

(2) The foundations, main walls, roofs, halls, lobbys, stairways and entrance and exit or communication ways;

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

(4) The compartments or installation of central services such as power, light, gas, cold and hot water, elevators, refrigeration, reservoirs, sprinkler systems, water tanks and pumps, and similar installations, except as otherwise specifically provided herein;

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

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

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

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

(f) "Property" means and includes all of that certain parcel of land located in the City of Greenville, State of South Carolina, more particularly described on Exhibit "A" attached hereto and made a part hereof, together with all Buildings, structures and other improvements constructed or to be constructed or placed thereon, and all easements, rights and appurtenances belonging thereto;

(g) "Unit" means a part of the Property intended for independent use for residential purposes including one or more rooms or enclosed spaces located on one or more floors (or parts thereof) in a building, and with a direct exit to a public street or highway, or to a common area leading to such street or highway, either directly or by way of private easements or rights-of-way;

II.

DEVELOPMENT OF PROJECT AND PROPERTY RIGHTS

Section 1.

Development Plan. Developer is the owner of fee simple title to the

Property which is more particularly described and shown on Exhibit "A" attached hereto, which Property together with all Improvements constructed or to be constructed or placed thereon is hereby submitted to a horizontal property regime under the applicable provisions of the laws of the State of South Carolina, as hereinabove described. Developer shall construct or cause to be constructed on the Property a residential Building containing a total of twelve (12) residences. Developer shall have the option, but not the obligation, to build a parking structure with eight (8) covered parking spaces ("covered parking"). [All references to the "covered parking" herein shall be applicable only if Developer builds the covered parking and such references shall not be deemed to require Developer to build covered parking if it elects not to do so]. The Building will be constructed in the locations and according to the dimensions and plans shown on Exhibit "B" attached hereto and made a part hereof. The Developer expressly reserves the right to alter the location and composition of all said improvements; provided, however, that the total number of Units shown in said Exhibit shall remain unchanged. As and when the construction of the Building and covered parking is completed and prior to the first conveyance of an Unit contained therein, if any changes were made by the Developer in the location and composition of said Building or covered parking, there will be filed for record in the office of the Register of Mesne Conveyances of Greenville County, South Carolina, an amendment to this Master Deed reflecting such changes, to which shall be attached a verified statement of a registered architect or a licensed professional engineer certifying that the amendment, together with the documents included in Exhibit "B" attached hereto, fully and accurately depict the layout, location, number/letter identification and dimensions of the Building, covered parking, or other improvements described in said amendment as built.

Section 2.

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

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

The covered parking and parking spaces therein, if constructed, shall be built over a portion of the parking spaces shown on Exhibit B and shall be General Common Elements. However, the exclusive rights to utilize the numbered parking spaces therein shall be associated with and appurtenant to the ownership of eight Units, and such exclusive rights shall be deemed to "run with the land" for the benefit of benefit of owners of the designated Units, in perpetuity,

until and unless the horizontal property regime created hereby shall be abandoned or the owners of such rights shall relinquish them by written amendment to this Master Deed, signed by all owners of the parking covered parking rights, filed in the RMC Office of Greenville County, South Carolina.

The designation of Units to which said covered parking rights shall be assigned will be set forth in an amendment to this Master Deed to be signed by the Developer and filed in the RMC Office of Greenville County.

Notwithstanding any provision herein to the contrary, the owners of the covered parking rights shall be required to pay a supplementary fee each month along with their monthly payments of Annual Assessments (hereinafter defined), to be utilized for maintenance, upkeep, repairs, replacements, and other expenses attributable to the covered parking. The amount of such supplemntary fee shall be set by the Developer and may be changed from time to time by the Board of Directors of the Association (hereinafter defined) in the same manner as is prescribed for changes in the Annual Assessments set forth in Article XIV of this Master Deed. These funds shall be managed by the Association along with other assessments; provided the Association shall keep records of all amounts received as supplementary fees for the covered parking and all expenditures thereof.

The air conditioning condensers, patios, balconies, porches, storage rooms, chimneys and decks which are attached to, attributed to, or contiguous to, designated by developer for use by the owner of a particular Unit shall be considered General Common Elements; provided that they shall be possessed, used and enjoyed exclusively by the owner of the appropriate Unit, unless all of the owners of Apartments in the Building shall elect to distribute or allocate the use and enjoyment of such General Common Elements in some other manner.

The storage rooms located on each floor of the Building and accessible from the hallway on each floor shall be General Common Elements but shall be possessed, used and enjoyed exclusively by the

owners of Units to which they are initially assigned by Developer, and keys to such Units shall be issued only to the owners of such Units. Use of these rooms shall be subject to any rules and regulations pertaining to such closets as may be adopted by the Association.

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

Section 3.

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

III.

PERPETUAL NON-EXCLUSIVE EASEMENT IN GENERAL COMMON ELEMENTS

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

IV.

EASEMENTS FOR ENCROACHMENTS AND SUPPORT

Each Unit and the Property included in the General Common Elements shall be subject to an easement for encroachments created by construction, settling and overhangs as designed or constructed by the Developer. A valid easement for said encroachments and for the maintenance of same, as long as they stand, shall and does exist. In the event that any Building is partially or destroyed and then rebuilt, the Co-owners of the Units so affected agree that minor encroachments of parts of the adjacent Units or General Common Elements due to construction shall be permitted, and that a valid easement for said encroachments and the maintenance thereof shall exist. Every portion of an Unit contributing to the support of an

abutting Unit shall be burdened with an easement of support for the benefit of such abutting Unit.

V.

PARKING

Those portions of the Property designated as parking areas on Exhibit B (including the spaces in the covered parking described in Article II) shall be a part of the General Common Elements, and shall be utilized by Co-owners of Units in accordance with the following rules, as well as any additional rules established by the Association:

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

(b) With regard to the parking spaces which are not enclosed in the covered parking, one such space shall be assigned by the Developer for the exclusive use of Unit Owners who do not own spaces in the covered parking, for use by such Unit Owner and his permitees. All spaces not assigned will be available for use by all Unit Owners and their permitees on a first come, first serve basis.

VI.

EASEMENT FOR UNINTENTIONAL AND NON-NEGLIGENT ENCROACHMENTS

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

VII.

ADMINISTRATION

Section 1.

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

Each Unit Co-owner shall automatically become and be a member of the association as long as he continues to be an Unit Co-owner. Upon the termination of the interest of an Unit Co-owner, his membership shall thereupon automatically terminate and transfer and inure to the new Unit Co-owner succeeding him in interest.

Each Unit owner shall also be a member of the Creekside Homeowners Association and shall be governed by the By-Laws. That Association includes owners of single family as well as multifamily residential dwellings in Swansgate.

Section 2.

Limitation of Liability; Indemnification. Notwithstanding the duty of the Association to maintain, repair and replace parts of the General Common Elements, the Association shall not be liable for injuries or damage caused by any latent condition of the General Common Elements, nor for injury caused by the elements, Owners or other Persons, nor shall any officer or director of the Association be liable to any

Owner for injury or damage caused by such officer or director in the performance of his duties unless due to the willful misfeasance or malfeasance of such officer or director. Each officer and director of the Association shall be indemnified by the Association against all expenses and liabilities, including attorney's fees, reasonably incurred or imposed upon him in connection with any lawsuit or other proceedings to which he may be a party or in which he may become involved by reason of his being or having been an officer or director of the Association, or any reasonable settlement of such disputes, whether or not he is an officer or director of the Association at the time such expenses and liabilities are incurred, except in those cases in which the officer or director is adjudged guilty or willful misfeasance or malfeasance in the performance of his duties; provided that in the event of a settlement, the indemnification shall apply only when the Board of Directors approves such settlement and reimbursement as being in the best interests of the Association.

Section 3.

Administration by Developer. Notwithstanding anything contained herein to the contrary, the Developers shall initially be responsible for the administration of the Property and the General Common Elements; and the Association will not begin to function through its other members until the Developers shall have conveyed 140 of the Units (including Units in additional phases, as described in Article XX) to the respective purchasers of same or such earlier date as may be selected by the Developer in the exercise of its sole discretion, at which time such fact shall be certified to the Association by the Developer and management of the General Common Elements delivered to the Association together with all books and accounts which shall be in balance provided, the transaction of managment will occur when the last Unit to be added to the Regime is conveyed to a purchaser if Developer fails to complete the development of additional phases before the deadline for such completion set forth in Article XX. Until such time, the duties and powers of the Association, including those of the Board of Directors, as specified in this Master Deed and

in the By-Laws, shall be performed by the Developer and/or any manager or agent employed by the Developer on behalf of the Association, at any rate of compensation which, under the circumstances and in the sole discretion of the Developer, shall be reasonable in amount. Such compensation, if any, shall be paid as a recurring expense of the Association and out of the Assessments hereinafter provided for and not in lieu thereof or in addition thereto. Following transfer of control of the Association, the Association will continue to be bound by the terms of any contract for managment services previously executed by it for the remainder of the term of such contract.

Section 4.

Swansgate Property Owners Association. The Property is located within and is a part of a residential community known as "Swansgate", designed for adults who are retired or who are approaching retirement age. Many of the services, facilities and amenities available for the use and benefit of Unit owners are or will be located outside boundaries of the Property but within the Swansgate community.

The Association (acting through the Developer, while the Developer is administering the General Common Elements pursuant to Section 3 above) shall enter into one or more agreements or arrangements with the Swansgate Homeowners Association, the Developer, and/or any other parties who may own or manage any such common facilities or services, in order to provide for the use and enjoyment thereof by Unit owners, their guests, invitees, licensees, and tenants. Such agreements shall include appropriate requirements for the payment by the Association of an equitable portion of the costs of maintaining and providing such facilities and services; and all such payments shall be made by the Association from funds collected from Unit owners as Annual Assessments and, when appropriate, from Special Assessments (hereinafter defined). These expenses shall be included in the regular budgets of the Association and administered in the same manner as other normal recurring expenses and special capital expenses incurred in the management of the Property and the General Common Elements.

Section 5.

Professional Management. The Association (either directly, or through agreement with Swansgate Homeowners Association) shall retain the services of one or more Persons who are qualified property managers to assist it in discharging its responsibilities set forth in this Master Deed and imposed by applicable law, as well as any additional responsibilities accepted by the Association pursuant to actions of its Board or its membership at meetings authorized by the By-Laws of the Association. The Association may enter into and execute written agreements with such property managers setting forth the terms under which their services are engaged. Copies of all such agreements shall be made available to all Unit owners upon request.

Either the Developer itself or a company affiliated with the Developer will be the initial professional property manager retained pursuant to this Section 5; and the Association (acting through Developer in its capacity as the administrator of the General Common Elements pursuant to Section 3 above) shall be and is expected to prepare and enter into a written agreement with the Developer or such affiliated party to provide such services and be paid appropriate fees therefor until and unless such agreement shall be terminated pursuant to the terms thereof.

VIII.

USE RESTRICTIONS

Section 1.

Residential Purposes. All Units contemplated in the Regime shall be, and the same hereby are, restricted exclusively to residential use. All such Units shall be of new construction joined together by common foundations. No structures of a temporary character, trailer, basement, tent, shack, carport, covered parking, barn or other building shall be used as an Unit on any portion of the Property at any time either temporarily or permanently.

All Units and Unit owners shall also be subject to those restrictions set forth in applicable portions of the Protective Covenants, Restrictions and Easements for Swansgate Subdivision

recorded in the RMC Office of Greenville County, South Carolina in Deed Book 1193 at page 306 (the "Protective Covenants"), and in particular in the restrictions set forth in Sections 2, 6, 7, 8, 9, 11, 12, and 15 thereof.

Section 2.

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

Section 3.

Animals and Pets. No animals, livestock or poultry of any kind shall be raised, bred or kept on any part of the Property, except that dogs, cats or other household pets may be kept by the respective Owners in their respective Units, provided that they are not kept, bred or maintained for any commercial purpose and do not endanger the health or, in the sole discretion of the Board of Directors, unreasonably disturb the Owner of any Unit or any resident thereof. Ownership and management of pets shall also be subject to applicable provisions of the Protective Covenants and to any rules and regulations adopted by the Association.

Section 4.

Signs and Business Activities. No advertising, signs, billboards, unsightly objects, or nuisance shall be erected, placed or permitted to remain on the Property, nor shall the Property be used in any way or for any purpose which may endanger the health of or unreasonably disturb the Owner of any Unit or any resident thereof. No business activities of any kind whatever shall be conducted in any Building or in any portion of the Property; provided, however, the foregoing

covenants shall not apply to the business activities, signs and billboards of the Developer, its agents or assigns during the construction and sale period.

Section 5.

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

Section 6.

Exterior Antennas. No exterior television or radio antennas of any sort shall be placed, allowed or maintained upon any portion of the improvements to be located upon the Property nor upon any structure situated upon the Property other than an aerial for a master antenna system approved by the Developer or the Board of Directors, should any such master system or systems be utilized and require any such exterior antenna.

Section 7.

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

IX.

ALTERATIONS OR ADDITIONS TO GENERAL COMMON ELEMENTS

There shall be no alteration or additions to the General Common

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

X.

MAINTENANCE AND REPAIR OF EACH UNIT

Section 1.

Responsibility. Each Unit Co-owner agrees as follows:

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

appurtenant to his Unit, provided the Association shall have the right and responsibility to direct the manner in which such maintenance and painting shall be performed, including the color and frequency of repainting..

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

C. To make no alteration, decoration, repair, replacement or change of the General Common Elements or any outside or exterior portion of the Building.

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

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

Section 2.

Failure to Maintain Unit. In the event the Owner of an Unit fails to maintain said Unit as required in this Master Deed, or shall make any structural addition or alteration without the required written consent, or otherwise violates or threatens to violate the provisions hereof, the Association shall have the right to proceed in a Court of Equity for an injunction to seek compliance with the provisions hereof. In lieu thereof, and in addition thereto, the Association, through its Board of Directors, shall have the right to levy an assessment against the Owner of the Unit, and the Unit itself, for

such necessary sums to remove any unauthorized structural addition or alteration, and to restore the Property to good condition and repair. Each Unit Owner shall also be liable to any other Unit Owner or to the Association for damages to any other Unit or the General Common Elements which may be caused by the failure of such Owner to maintain his Unit as required herein.

XI.

MAINTENANCE AND REPAIR OF GENERAL COMMON ELEMENTS BY ASSOCIATION

The Association, at its expense, shall be responsible for the maintenance, repair and replacement of all of the General Common Elements except those portions to be maintained by Unit Owners by the provisions of Article X or any other applicable provision herein. The responsibility of the Association for such maintenance and repair shall include those portions of the General Common Elements which contribute to the support of the Buildings and all conduits, ducts, plumbing, wiring and other facilities located in the General Common Elements which do not serve or exist for the exclusive benefit of a simple Unit. Should any incidental damage be caused to any Unit by virtue of any work which may be done or caused to be done by the Association in the maintenance, repair or replacement of any General Common Elements, the Association shall, at its expense, repair such incidental damage.

XII.

OWNER'S RISK OF LOSS AND
PERSONAL INSURANCE COVERAGE

The Co-owner of each Unit may, at his own expense, obtain insurance coverage for loss of or damage to any furniture, furnishings, personal effects and other personal property belonging to such Co-owner, and may, at his own expense and option, obtain insurance coverage against personal liability for injury to the person or property of another while within such Co-owner's Unit or upon the General Common Elements. All such insurance obtained by the Co-owner of each Unit shall, wherever such provisions shall be available, provide that the insurer waives its right of subrogation as to any

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

XIII.

INSURANCE AND CASUALTY LOSSES

Section 1. Insurance. The Board of Directors shall have the authority to and shall obtain insurance for all of the insurable improvements on the Property (with the exception of improvements and betterments made by the respective Owners at their expense) against loss or damage by fire or other hazards, including extended coverage, vandalism and malicious mischief, in an amount sufficient to cover the full replacement cost of any repair or reconstruction in the event of damage or destruction from any such hazard, and shall also obtain a public liability policy covering all General Common Areas and all damage or injury caused by the negligence of the Association or any of its agents, which public liability policy shall have limits of at least $300,000 per claimant for bodily injury. Notwithstanding the above requirement, the Board shall have the discretion to purchase insurance with deductible provisions in whatever amount it chooses,

and in the event of loss to require each Owner to pay his appropriate share of the deductible portion of any costs of repair and rebuilding. Premiums for all such insurance shall be paid by the Association. All such insurance coverage obtained by the Board of Directors shall be written in the name of the Association as Trustee for itself and each of the Unit Owners. Such insurance shall be governed by the provisions hereinafter set forth:

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

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

(c) Provisions shall be made for the issuance of a certificate of insurance to each Owner and his mortgagee, if any, which shall specify the amount of such insurance attributable to the entire building.

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

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

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

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

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

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

Section 3. Use of Proceeds.

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

(b) The duty of the Board of Directors, upon receiving any insurance proceeds, shall be to hold such proceeds in trust for the benefit of the Owners and their mortgagees in the manner described below. An undivided share of such proceeds on account of damage or destruction to the General Common Elements shall be held in trust for the Owners in accordance with their respective percentages of undivided interest in and to the General Common Elements. Proceeds on account of damage or destruction to Units shall be held in trust for

the Owners of the damaged or destroyed Units in proportion to the cost of repairing or reconstructing the damage or destruction suffered by each such Owner. In the event that a mortgagee endorsement has been issued as to any particular Unit, the share of such Unit Owner shall be held in trust for such Owner and his mortgagee as their interests may appear.

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

(1) If the damage or destruction for which the proceeds are paid is to be repaired or reconstructed, all expenses of the Board incurred in handling these funds shall be first paid and the remaining proceeds, or such portion thereof as may be required for such purposes, shall be disbursed in payment for such repairs or reconstruction as hereinafter provided. Any proceeds remaining after defraying such expenses of the Board and paying the cost of repairs or reconstruction shall be disbursed to the beneficial owners, remittances to Unit Owners and their mortgagees being payable jointly to them. This is a covenant for the benefit of any mortgagee of an Unit and may be enforced by such mortgagee.

(2) If it is determined as provided for in Section 4 of this Section XIII that the damage or destruction for which the proceeds are paid shall not be repaired or reconstructed, such proceeds shall be disbursed to such Persons as therein provided.

(3) Any and all disbursements of insurance proceeds to be made by the Board for any purpose whatsoever shall be made pursuant to and in accordance with a certificate of the Association signed by the President or Vice President and attested by the Secretary setting forth whether or not the damage or destruction is to be repaired or reconstructed and whether the damage or destruction was to the General Common Elements or one or more Units or both. If the damage or destruction is not to be repaired or reconstructed, said

certificate shall direct that disbursements be made by the Board as provided in accordance with the terms of Section 4(c) of this Section XIII.

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

Section 4. Damage and Destruction.

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

(b) Any such damage or destruction shall be repaired or reconstructed unless such damage encompasses and renders uninhabitable more than two-thirds of the Units affected by this Master Deed. If the damage or destruction does encompass or render unihibitable more than two-thirds of the Units, then the damage shall be repaired or reconstructed if the owner of two-thirds (2/3) of the Units in the Regime shall vote to repair or reconstruct. The Board shall obtain

detailed estimates of the costs of repair or reconstruction and make such report available to all Unit Owners within thirty (30) days after said casualty occurs.

(c) If such damage or destruction does encompass more than two-thirds of the Units as hereinabove provided and the Units owners do not vote to repair and reconstruct as aforesaid, the insurance proceeds paid with respect to such damage shall be delivered to the Unit Owners in accordance with their respective ownership of the General Common Elements unless three-fourths of such Owners (with the consent of their respective mortgagees) shall determine that the proceeds should be delivered in some other manner. In the event that it is determined that the damage or destruction shall not be repaired or reconstructed, as hereinabove provided, then and in that event, (1) the Property shall be deemed to be owned in common by the Unit Owners, and the Association shall file in the R.M.C. Office for Greenville County a certificate stating that the Property is removed and released from the Horizontal Property Regime established herein, setting forth the reasons for such removal, (2) the undivided interest in the Property owned in common which shall appertain to each Unit Owner shall be the percentage of undivided interest previously owned by such Owner in the General Common Elements, (3) any liens affecting any of the Units shall be deemed to be transferred in accordance with the existing priorities to the percentage of undivided interest of the Unit Owner in the Property, (4) the Unit owners shall be required to utilize available funds to remove damaged buildings and restore the grounds to an attractive condition; and (5) the Property shall be subject to an action for partition at the suit of any Unit Owner in in which event the net proceeds of sale shall be paid to the Board. Said net proceeds of sale, together with the net proceeds of the insurance on the Property, shall be considered as one fund which, after paying all expenses of the Board, shall be divided among all of the Unit Owners in a percentage equal to the percentage of undivided interest owned by each Owner in the General Common Elements, after first paying out of the respective share of the Unit Owners, to the extent

sufficient for the purpose, all liens on the undivided interest in the Property owned by each Unit Owner.

Section 5. Repair and Reconstruction.

(a) If the damage or destruction for which the insurance proceeds are to be paid to the Board is to be repaired or reconstructed and such proceeds are not sufficient to defray the cost thereof, the Board shall levy a Special Assessment against all Owners of the damaged Units in proportion to their respective undivided interest in the General Common Elements, in sufficient amounts to provide funds to pay such excess cost of repair or reconstruction. Additional Assessments may be made in like manner at any time during or following the completion of any repair or reconstruction. In the event any such Owners shall refuse to pay their Special Assessments, then so long as those who refuse to pay shall constitute a minority of the total number of Owners affected by such damage, then the majority may proceed with the reconstruction at the expense of all such Owners, including the dissenting minority, and the Special Assessment hereinabove referred to shall be treated as a lien on the Unit of any Owner who refuses to pay. In such event, the majority may proceed following the passage of an appropriate resolution to that effect at a meeting of the Association called for such purpose.

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

Section 6. Minor Repairs.

(a) Notwithstanding the foregoing provisions of this Section XIII, in the event of damage by fire or other casualty to the General Common Elements covered by insurance written in the name of the Association for which the insurance proceeds or paid therefor are less than One Thousand Dollars ($1,000.00) and the estimated cost

of repairing such damage is less than twice the amount of such proceeds, then the instrument by means of which such proceeds are paid shall be made out to the Association and delivered to the Board, and the damage shall be repaired in accordance with the provisions set forth below.

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

(c) If the damage is confined to a single Unit, such insurance proceeds shall be used by the Association to defray the cost of such repairs. If the cost of such repairs is less than the amount of such insurance proceeds, the excess shall be paid jointly to the Owner and his mortgagee, if any, who may use such proceeds as they alone may determine. If the cost of such repairs exceeds the amount of such insurance proceeds, such excess shall be provided by means of a Special Assessment levied by the Board of Directors without a vote of the members, against the Owner of the damaged Unit. Payments for repairs, provided for in this subparagraph (c) shall be made only after all such repairs have been completed and approved by the