

Association, the Owner and his mortgagee, if any, which approval shall not be unreasonably withheld.

XIV.

ASSESSMENTS

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

excess of the amount therein set forth. The Purchaser of an Unit at a judicial or foreclosure sale shall be liable only for Assessments coming due after the date of such sale.

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

Section 3. Basis and Maximum of Annual Assessments.

(a) Until December 31, 1984, the maximum Annual Assessment shall be the amount designated for each Unit on Exhibit C. From and after January 1, 1985, the maximum Annual Assessment may be increased effective January 1st of each year without a vote of the Owners by the greater of ten (10%) percent or the rise, if any, of the numerical rating for the preceding month of June above such rating for June, 1984, as established by the Consumer Price Index for Urban Wage Earners and Clerical Workers (published by the Department of Labor, Washington, D.C.) applicable to Greenville, South Carolina, the successor thereto or other comparable consumer price index should that described herein be discontinued or no longer made available to the Association. For purposes of determining the allowable increase for 1985, the assessments shown on Exhibit C, page 1, shall represent the base from which the permitted increase shall be determined, even if a portion of the maximum assessment shown thereon shall have been deferred (and hence not charged) during 1984.

b) From and after January 1, 1985, the maximum Annual Assessment for any succeeding year may be increased above that established by the Consumer Price Index formula provided that any such change shall require the consent of a majority of the votes of the Owners who are voting in person or by proxy, at a meeting duly called for this purpose, written notice of which shall be delivered to all Units or sent to all Owners not less than 30 days nor more than 60 days in advance of the meeting setting forth the purpose of this meeting.

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

Section 4. Special Assessments for Capital Improvements. In addition to the Annual Assessments authorized above, the Board of Directors may levy Special Assessments for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of General Common Elements, including

the necessary fixtures and personal property related thereto; provided that any such Assessment shall have the assent of two-thirds (2/3) of the votes of the Owners who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be delivered to all Units or sent to all Owners not less than 30 days nor more than 60 days in advance of the meeting setting forth the purpose of this meeting.

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

Section 6. Quorum for any Action authorized under Sections 3 & 4. At the first meeting called pursuant to Sections 3 and 4 of this Article XIV, the presence at the meeting of Owners or of proxies entitled to cast sixty-six percent (66%) of all the votes of the Association shall constitute a quorum. If the required quorum is not forthcoming at the first meeting called, not more than two subsequent meetings may be called, subject to the notice requirement set forth in said Sections 3 and 4, and the required quorum at any such subsequent meeting shall be persons (and/or proxies) controlling fifty percent (50%) of the total eligible votes. No such subsequent meeting shall be held more than 30 days following the preceding meeting.

Section 7. Date of Commencement of Annual Assessments. The Annual Assessments provided for in this Article XIV shall be established on a calendar year basis and shall commence as to each Unit conveyed by the Developer to another Owner on the date of each such conveyance. The first Annual Assessment for each Unit thus conveyed shall be adjusted according to the number of days remaining in the calendar year. Except for that portion of each such adjusted Assessment as may be attributable to the number of days remaining in the month of conveyance which shall be paid to the Association at the time of such conveyance, each such adjusted Assessment shall be paid

by the Owner to the Association in equal monthly installments commencing on the first day of the month following such conveyance. Thereafter, the Board of Directors shall fix the amount of the Annual Assessment against each Unit and deliver written notice of same to each Unit or sent written notice of same to every Owner subject thereto at least 10 days in advance of each Annual Assessment period. Unless otherwise provided by the Board of Directors, one-twelfth (1/12) of the Annual Assessment for each Unit shall become due and payable on the first day of each month during the Assessment period and shall be paid to the Association when due without further notice from the Association.

Until the Developer shall no longer own any Units, or at such earlier time as Developer may select, those Units not previously conveyed by the Developer to other Owners shall be exempt from the Assessments created herein, as provided for in Section 10 of this Article XV, although the Developer shall provide such additional funds as may be necessary to defray all Common Expenses accruing up to such time, such additional funds to be provided by the Developer without cost to or claim for reimbursement by the other Owners and as and when necessary (in Developer's reasonable discretion) in order to administer the Regime in the manner provided for and contemplated herein. If Developer elects to begin paying assessments prior to conveying away all of its Units then all Units which it owns shall be and become subject to the Assessments provided for in this Article XIV at such rates and on such terms and conditions as may then be applicable to all Units conveyed by the Developer prior thereto; and Developer's sole responsibility thereafter for Annual and Special Assessments will be to pay the Assessment attributable to Units owned by Developer. If, after such time as the Developer delivers management of the Regime to the Association, the Assessments provided for in this Article XIV should prove inadequate for any reason, including non-payment of any Owner's Assessment, the Board of Directors may, at any time, levy additional Assessments in like proportion; provided, however, that the Annual Assessments may not be

increased above the maximum allowable herein except as provided in Section 3 of this Article XIV.

Section 8. Effect of Non-Payment of Assessments: Remedies of the Association. Any Assessments which are not paid when due shall be delinquent. If the Assessment is not paid within thirty (30) days after the due date, the Assessment shall bear interest from the date of delinquency at the rate of twelve percent (12%) per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose its lien against such Owner's Unit, in which event, interest, costs and attorneys' fees equal to twenty-five (25%) of the principal amount shall be added to the amount of such Assessments as may then be due. Each Owner, by his acceptance of a deed to a Unit, vests in the Association or its agents the right and power to bring all actions against him personally for the collection of such charges as a debt or foreclose the aforesaid lien in the same manner as other liens for the improvement of real property. The lien provided for in this Article XIV shall be in favor of the Association and shall be for the benefit of all other Owners. The Association, acting on behalf of the Owners, shall have the power to bid in the Unit at any Foreclosure sale and to acquire, hold, lease, mortgage and convey the same. No Owner may waive or otherwise escape liability for the Assessments provided for herein by non-use of the General Common Elements or abandonment of his Unit.

Section 9. Priority of Lien. The lien of the Assessments provided for in this Article XIV shall be prior and superior to all other liens except only (a) ad valorem taxes and (b) first mortgages of record. The sale or transfer of any Unit shall not affect the Assessments lien; provided, however, that the sale or transfer of any Unit pursuant to the foreclosure of a first mortgage thereon, shall extinguish the lien of such Assessments as to the payments thereon which became due prior to such sale or transfer. No sale or transfer shall relieve such Unit from liability for any Assessments thereafter becoming due or from the lien thereof.

Section 10. Exempt Property. All Units in the Development shall be exempt from the Assessments created herein until each is conveyed by the Developer to another Owner or until Developer elects to start paying assessments on remaining Units it owns as hereinabove provided.

XV.

REMEDIES

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

XVI.

COMMON SURPLUS

The "Common Surplus" (meaning all funds and other assets of the

Association, including funds on hand from any source in excess of expenses incurred), shall be owned by the Owners of all Units in the same proportion as the undivided interest in General Common Elements Elements appurtenant to each Co-owner's Unit; and may be utilized or distributed only as provided herein. Except for distributions of insurance proceeds in certain cases as herein provided, any distribution of Common Surplus which shall be made to the then Co-owners of Units in accordance with their percentage interest in Common Surplus as declared above. The decision to distribute Common Surplus must be approved by vote of two-thirds of the eligible votes of Unit Co-owners.

XVII.

TERMINATION

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

Termination of the Master Deed shall not relieve Co-Owner of Units from responsibilities assumed by the Association under contracts for maintenance of the grounds in the Property and the Association's pro rata share of expenses of maintenance of the grounds, roads, etc in Swansgate.

XVIII.

AMENDMENT OF MASTER DEED

This Master Deed may be amended at any regular or special meeting

of the Unit Co-owners of the Regime, called and convened in accordance with the By-Laws, by the affirmative vote of at least two-thirds (2/3) of the total eligible votes of the members of the Association; provided, so long as Developer owns any Units, its consent shall be required for any amendment.

All Amendments shall be executed and recorded, as required by the Act and other applicable statutes. No Amendment shall change the location or dimensions of any Unit, nor an Unit's proportionate share of the Common Expenses or Common Surplus, nor the voting rights appurtenant to any Unit, unless the record Owner(s) thereof, and all records owners of mortgages or other voluntarily placed liens thereon, shall join in the execution of the Amendment. No Amendment shall be passed which shall impair or prejudice the rights and priorities of any mortgagees. No Amendment shall change the provisions of this Master Deed with respect to institutional mortgagees without the written approval of all institutional mortgagees of record.

Amendments to the Master Deed for the purpose of further identifying or correctly describing the dimensions or location of any Unit shall be made as and when the construction of the Building is completed and shall require approval and signature of the Developer only.

XIX.

MISCELLANEOUS PROVISIONS

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

Section 2. Association Board of Directors. The Developer shall have the continued right to designate one member of the Board of Directors of the Association until such time as the Developer chooses to relinquish that right. The person so designated shall not be

required to be the Owner of an Unit, and such person shall be entitled to vote on any matter affecting the Developer without disqualification, even though selected by and even if affiliated with the Developer.

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

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

Section 4. Reservation of Right to Connect Utilities.

The Property is subject to utility easements for drainage, exterior sprinkler systems, cable T.V., telephone, electricity, water and sewer. The Developer, its successors and assigns, reserve the right to connect said utilities for future projects or additional projects whether they be Horizontal Property Regimes, Unit projects, planned unit developments, single family residences, or otherwise.

Section 5. Certain Rights of Holders of Institutional First

Mortgages. Any institutional holder of a first mortgage on an Unit will, upon request, be entitled to: (a) inspect the books and records of the Property and the Association during normal business hours; and (b) receive an annual audited financial statement of the Association within 90 days following the end of any fiscal year; and (c) written notice of all meetings of the Owners. Any such mortgage holder shall also be permitted to designate a representative to attend all such meetings. In the event of substantial damage to or destruction of any unit or any part of the General Common Elements, any institutional holder of a first mortgage on an Unit will be entitled to timely written notice of any such damage or destruction and no provision of any document establishing the Regime will entitle the Owner of an Unit or other party to priority over such institutional holder with respect to the distribution of insurance proceeds attributable to the Unit. If any Unit or portion thereof or any of the General Common Elements or any portion thereof is made the subject matter of any condemnation of eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, then such

first mortgage holder will be entitled to timely written notice of any such proceeding or proposed acquisition; and no provision of any document establishing the Regime will entitle the Owner of an Unit or other party to priority over such institutional holder with respect to the distribution to such Unit Owner of the proceeds of any award or settlement.

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

Section 7. Reservation of Right of Developer to Grant Easements. The Developer hereby reserves the right to grant easements to the proper public authorities for sewer lines and facilities, cable T.V., water lines, telephone lines and gas service lines.

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

Section 9. Severability and Rule Perpetuities. If any provision of this Master Deed or the By-Laws shall be held invalid, it shall not affect the validity of the remainder of the Master Deed and the By-Laws. If any provision of either said instrument would otherwise violate the rule against perpetuities or any other rule, statute or law imposing time limits, then such provision shall be deemed to remain in effect until the death of the last survivor of the now living descendants of Eric Stafford of Greenville County, South Carolina, plus twenty-one (21) years thereafter.

XX

ADDITIONAL PHASES

Section 1. Annexation Of Additional Phases. Developer owns land adjacent to the Property upon which Developer may build additional buildings containing additional condominium units to be annexed into the Creekside Horizontal Property Regime. The additional property is described on page two of Exhibit A attached hereto. Developer reserves and shall have the right to annex as many as twelve additional buildings into the Regime. The annexation of these additional buildings may be accomplished in phases. Any phase may incorporate one or more of the additional buildings.

Section 2. Deadline For Completion. In the event Developer has not completed necessary steps to incorporate any of the twelve additional buildings into the Regime by December 30, 1990, then the Developer's rights to annex any additional buildings or phases into the Regime shall terminate and expire. Such rights also expire as to any portion of the property shown on page two of Exhibit A by the filing of a declaration by Developer, on a deed including such declaration, that such land shall not become part of the Regime.

Section 3. Amendments to Master Deed. The annexation of additional phases into the Regime shall be accomplished by the filing in the RMC Office of Greenville County of amendments to this Master Deed, executed by the Developer only, setting forth appropriate language to cause each additional buildings to become subject to this Master Deed. Each such amendment shall also include amendments to

STATE OF SOUTH CAROLINA)
)
COUNTY OF GREENVILLE)

PROBATE

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

William B. Burt

SWORN TO BEFORE ME
this 28 day of March, 1983

Ann K. Collins
Notary Public for South Carolina

My Commission Expires: 7-19-89