

STATE OF SOUTH CAROLINA)
COUNTY OF ANDERSON)

STONE CREEK COVE LIMITED PARTNERSHIP)
TO)
STONE CREEK COVE CONDOMINIUM I)
HORIZONTAL PROPERTY REGIME)

MASTER DEED

At Stone Creek Cove subdivision, County of Anderson, and State of South Carolina, on this 15th day of October, 1973, Stone Creek Cove Limited Partnership whose principal office is situated at 111 Garvin Street, Town of Pickens, State of South Carolina, hereinafter referred to as Grantor, does hereby state:

I. DEFINITIONS:

Unless defined herein or unless the context requires otherwise, the words defined in Section 54-495 of the Horizontal Property Act, 1962 Code of Laws of South Carolina Amended, when used in this Master Deed or any amendment hereto shall have the meaning therein provided; the following words when used in this Master Deed or any amendment hereto, unless the context requires otherwise, shall have the following meanings:

1.1 Act. "Act" means the Horizontal Property Act of the South Carolina Code of Laws, 1962, Amended.

1.2 Association. "Association" means Stone Creek Cove Condominium Association I, Inc., a South Carolina non-profit non-stock membership corporation, its successors and assigns, organized to be the Association referred to herein.

1.3 Building. "Building" means the building or buildings constructed on the Real Property.

1.4 By-Laws. "By-Laws" means the By-Laws set forth and established for the Association which are attached hereto as Exhibit F and incorporated herein by this reference.

1.5 Common Elements. "Common Elements" means all of the Project except all Units.

1.6 Condominium Plat. "Condominium Plat" means the Condominium Plat for Stone Creek Cove Condominium Association I appearing in the records of the Clerk of Court of Anderson County, South Carolina, Plat Book 78 at Page 729.

1.7 Condominium Unit. "Condominium Unit" means a Unit together with the undivided percentage interest in the Common Elements appurtenant to that Unit. Such percentage interest is set forth on Exhibit B which is attached hereto and incorporated by this reference.

1.8 General Common Elements. "General Common Elements" means all Common Elements except Limited Common Elements.

1.9 Grantor. "Grantor" means Stone Creek Cove Limited Partnership, together with its successors and assigns.

1.10 Limited Common Elements. "Limited Common Elements" means any Common Elements designated herein for exclusive use by Owners of

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particular Condominium Units. Structural separations between Units or the space which would be occupied by such structural separations may become Limited Common Elements for the exclusive use of the Owner or Owners of the Units on either side thereof as provided in the Section hereof entitled Right to Combine Units. Any balconies, terraces, porches, patios and storage areas which are identified on the Condominium Plat with the same number or other designation by which a Unit is identified shall be Limited Common Elements for the exclusive use of the Owner or Owners of the Unit bearing the same number or designation.

1.11 Mortgage. "Mortgage" means any mortgage, deed of trust, or other security instrument by which a Condominium Unit or any part thereof is encumbered.

1.12 Mortgagee. "Mortgagee" means any person named as the mortgagee or beneficiary under any Mortgage, or any successor to the interest of such person under such Mortgage.

1.13 Owner. "Owner" means any person or entity, including Grantor, at any time owning a Condominium Unit. The term "Owner" shall not refer to any "Mortgagee", as herein defined, unless such Mortgagee has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure.

1.14 Project. "Project" means the Real Property and the Buildings and other improvements on the Real Property.

1.15 Real Property. "Real Property" means that certain real property located in Anderson County, South Carolina, described in Exhibit A which is attached hereto and incorporated by this reference.

1.16 Regime. "Regime" means the Horizontal Property Regime for Stone Creek Cove Condominium Association I which is created by filing the Master Deed.

1.17 Unit. "Unit" means an individual air space unit, consisting of enclosed rooms occupying part of the Building and bounded by the unfinished surfaces but which include the finished surfaces of the walls, floors, ceilings, and built-in fireplaces, if any, along the perimeter boundaries as said boundaries are shown on the Condominium Plat, together with all fixtures and improvements therein contained. Notwithstanding the fact that they may be within the boundaries, the following are not part of a Unit insofar as they are necessary for the support or full use and enjoyment of another Unit: bearing walls, floors, ceilings and roofs (except the finished surfaces thereof), foundations, space heating equipment and central water heating equipment, if any, tanks, pumps, pipes, vents, ducts, shafts, flues, chutes, conduits, wires and other utility installations, except the outlets thereof when located within the Unit. The finished surfaces further include the doors, windows and other apertures that bound the Unit.

II. STATEMENT OF INTENTION AND PURPOSE.

2.1 Intention. Grantor intends to provide for condominium ownership of the Project under the Horizontal Property Act of the State of South Carolina. For such purpose, Grantor executes this Horizontal Property Regime to define the character, duration, rights, obligations and limitations of condominium ownership in the Project.

2.2 Declaration. Grantor hereby declares that the Project and every part thereof is held and shall be held, conveyed, devised, leased, rented, encumbered, used, occupied and improved and otherwise affected in any manner subject to the provisions of this Regime, each and all of which provisions are hereby declared to be in furtherance of the general plan and scheme of condominium ownership referred to herein and are further declared to be part

benefit of the Project and every part thereof and for the benefit of each Owner. All provisions hereof shall be deemed to run with the land as covenants running with the land or as equitable servitudes as the case may be, and shall constitute benefits and burdens to the Grantor, its successors and assigns, and to all parties hereafter owning any interest in the Project.

2.3 Association as Attorney in Fact. All the Owners irrevocably constitute and appoint the Association their true and lawful attorney in fact in their name, place and stead for the purpose of dealing with the Project upon its damage or destruction, amendment of the Master Deed to include Phase III and amendment of the Master Deed for statutory compliance as herein provided. Acceptance by any grantee of a deed from the Grantor or from any Owner shall constitute appointment of the attorney in fact as herein provided.

2.4 Completion of Construction. The Grantor, by the recordation of this Master Deed, agrees, covenants and warrants to faithfully complete construction of all such Condominium Units and buildings within two years of the date thereof, provided, however, if Grantor fails to complete any building or Condominium Unit, Grantor agrees to repurchase the same for a price equivalent to that paid for such unit by the Owner thereof. In the event of repurchase, Grantor shall be completely and forever absolved and relieved of any and all liability or responsibility relating to or derived from its failure to complete such construction.

III. NATURE AND INCIDENTS OF CONDOMINIUM OWNERSHIP.

3.1 Estates of an Owner. The Project is hereby divided into Condominium Units, each consisting of a fee simple interest in a Unit and an undivided fee simple interest as set forth in Exhibit B in the Common Elements, which interest is hereby declared to be appurtenant to such Unit. Subject to the limitations contained in this Regime, any Owner shall have the non-exclusive right to use and enjoy the General Common Elements and shall have the exclusive right to use and enjoy any Limited Common Elements which may be designated for exclusive use by such Owner.

3.2 Right to Combine Units. With the written consent of two-thirds of the members of the Association, two or more Units may be utilized by the Owner or Owners thereof as if they were one Unit. To the extent permitted in the written consent of the members, any walls, floors or other structural separations between any two such Units, or any space which would be occupied by such structural separations but for the utilization of the two Units as one Unit, may be utilized by the Owner or Owners of the adjoining Units for so long as the two Units are utilized as one Unit. For such purpose, doors, entries, and other openings between such Units may be created through spaces which otherwise would be occupied by structural separations, except to the extent that any such structural separations are necessary or contain facilities necessary for the support, use or enjoyment of other parts of the Project. At any time, upon the request of the Owner of one of such adjoining Units, any opening between the two Units which, but for joint utilization of the two Units, would have been occupied by a structural separation, shall be closed, at the equal expense of the Owners of each of the two Units, and the structural separations between the two Units shall thereupon become General Common Elements.

3.3 Title. Title to a Condominium Unit may be held or owned by any entity and in any manner in which title to any other real property may be held or owned in the State of South Carolina, including, but without limitation, joint tenancy or tenancy in common.

3.4 Inseparability. No part of a Condominium Unit may be separated from any other part thereof during the period of condominium ownership pre-

scribed herein, and each Unit and the undivided interest in the Common Elements appurtenant to such Unit shall always be conveyed, devised, encumbered, and otherwise affected only as a complete Condominium Unit. Every gift, devise, bequest, transfer, encumbrance, conveyance or other disposition of a Condominium Unit or any part thereof shall be construed to be a gift, devise, bequest, transfer, encumbrance, or conveyance, respectively, of the entire Condominium Unit, together with all appurtenant rights created by law or by this Regime.

3.5 Partition not Permitted. The Common Elements shall be owned in common by all the Owners of Condominium Units, and no Owner may bring any action for partition thereof.

3.6 Ad Valorem Taxation. Each Condominium Unit shall be assessed separately for all taxes, assessments and other charges of the State of South Carolina or of any political subdivision or of any special improvement district or of any other taxing or assessing authority. For the purpose of such assessment, the valuation of the Common Elements shall be apportioned among the Units in proportion to the fractional interests in Common Elements appurtenant to such Units. The Association shall furnish to the assessor all necessary information with respect to such apportionment. No forfeiture or sale of any Condominium Unit for delinquent taxes, assessments or other governmental charges shall divest or in any way affect the title to any other Condominium Unit.

3.7 Owner's Rights with Respect to Interiors. Each Owner shall have the exclusive right to paint, repaint, tile, wax, paper or otherwise refinish and decorate the interior surfaces of the walls, ceilings, floors and doors forming the boundaries of his Unit and all walls, ceilings, floors and doors within such boundaries.

3.8 Easements for Encroachments. If any part of the Common Elements encroaches or shall hereafter encroach upon a Unit or Units, an easement for such encroachment and for the maintenance of the same shall and does exist. If any part of a Unit encroaches or shall hereafter encroach upon the Common Elements, or upon an adjoining Unit or Units, an easement for such encroachment and for the maintenance of the same shall and does exist. If any part of the Common Elements or any part of a Unit or Units encroaches or shall hereafter encroach on real property now owned by Grantor outside the boundaries of the Real Property, an easement for such encroachment shall and does exist. Such encroachments shall not be considered to be encumbrances either on the Common Elements or the Units. Encroachments referred to herein include, but are not limited to, encroachments caused by error in the original construction of any Building to be constructed on the Real Property, by error in the Condominium Plat, by settling, rising or shifting of the earth, by changes in position caused by repair or reconstruction of the Project or any part thereof, or by any deviation in the construction of the building from the Condominium Plats showing the existing and proposed Buildings.

3.9 Easements for Completion of Units. If, at the time of filing the Master Deed, any of the units described in Exhibit C and Exhibit D have not been completed, then Grantor or Grantor's agents will have an express easement of access to and from the construction site, an easement to maintain equipment and building supplies upon the Limited and General Common Elements, an easement to construct the Units set forth in Exhibit C and Exhibit D, an easement to inspect the premises and an easement to show the Units to potential purchasers.

3.10 Easements of Access for Repair, Maintenance and Emergencies. Some of the Common Elements are or may be located within the Units or may be conveniently accessible only through the Units. The Owners of other Units shall have the irrevocable right, to be exercised by the Association as their

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agent, to have access to each Unit and to all Common Elements from time to time during such reasonable hours as may be necessary for the maintenance, repair, or replacement of any of the Common Elements located therein or accessible therefrom or for making emergency repairs therein necessary to prevent damage to the Common Elements or to another Unit or Units. The Association shall also have such right independent of any agency relationship. Damage to the interior of any part of a Unit or Units resulting from the maintenance, repair, emergency repair or replacement of any of the Common Elements or as a result of emergency repairs within another Unit at the instance of the Association or of Owners shall be an expense of all the Owners; provided, however, that if such damage is the result of negligence of the Owner of the Unit, then such Owner shall be financially responsible for all of such damage. Such damage shall be repaired and the property shall be restored substantially to the same condition as existed prior to damage. Amounts owing by Owners pursuant hereto shall be collected by the Association by assessment pursuant to this Regime.

3.11 Grantor's Right to Deviate From the Master Deed. The Grantor, or any successor in title, shall have the right, prior to the execution and recording of the respective amendment, to change the number, size, layout, location and percentage interest in the General Common Elements of Units in the Master Deed, provided that (a) any single such change or all such changes in the aggregate shall not be substantial, and (b) such change or changes shall not affect at all any percentage or percentages of interest in General Common Elements set out in this Master Deed or any amendment thereto implementing any phase or phases which have been previously submitted to the provisions of the South Carolina Horizontal Property Act. No amendment shall be effective until recorded in the Office of the Anderson County Clerk of Court.

3.12 Owner's Right to Ingress and Egress and Support. Each Owner shall have the right to ingress over, upon and across the Common Elements necessary for access to his Unit, and to any Limited Common Elements designated for use in connection with his Unit, and shall have the right to the horizontal and lateral support of his Unit, and such rights shall be appurtenant to and pass with the title to each Condominium Unit.

3.13 Association's Right to Use of Common Elements. The Association shall have a nonexclusive easement to make such use of the Common Elements as may be necessary or appropriate to perform the duties and functions which it is obligated or permitted to perform pursuant to this Regime, including the right to construct and maintain in the General Common Elements maintenance and storage facilities for use by the Association, and to assign particular storage facilities for use by the Owners of particular Units.

3.14 Easements Deemed Created. All conveyances of Condominium Units hereafter made, whether by the Grantor or otherwise, shall be construed to grant and reserve such reciprocal easements as are provided for herein, even though no specific reference to such easements appears in any such conveyance.

3.15 Utilities, Etc. There is hereby granted a blanket easement upon, across, over and under all of the property for ingress, egress, installation, replacing, repairing, and maintaining a master television antenna system and all utilities, including, but not limited to, water, gas, sewers, telephones and electricity. Such easements grant to appropriate utility companies the right to erect and maintain the necessary poles and other necessary equipment on the property and to affix and maintain utility wires, circuits, and conduits on, above, across and under the roofs and exterior walls of the Units.

3.16 Other. There is hereby granted to the Association, its directors, officers, agents and employees and to any Manager employed by the Association as provided for in this Article IV hereof, and to all policemen, firemen, ambulance personnel and all similar emergency personnel an easement to enter upon the property or any part thereof in the proper performance of their respective duties. Except in the event of emergencies, the rights under this Article 3 shall be exercised only during reasonable daylight hours, and then, whenever practicable, only after advance notice to the Owner or Owners affected thereby.

IV. DESCRIPTION OF A CONDOMINIUM UNIT.

4.1 Method of Description. Every Deed of a Condominium Unit may describe that Condominium Unit by the number shown on the Condominium Plat with the appropriate reference to the Condominium Plat and to this Regime, as each appears on the records of the Clerk of Court for Anderson County, South Carolina, in the following fashion:

Condominium Unit _____, in Stone Creek Cove Condominium I Horizontal Property Regime, according to the Condominium Plat appearing in the records of the Clerk of Court for Anderson County, South Carolina, in Plat Book 78 of Page 729, and as defined and described in that Condominium Horizontal Property Regime for Stone Creek Cove Condominium I, appearing in such records in Deed Book _____ Page _____.

Such description will be construed to describe the Unit, together with the appurtenant undivided interest in the Common Elements, and to incorporate all the rights incident to ownership of a Condominium Unit and all the limitations on such ownership as described in this Regime.

4.2 Number of Units. The Real Property includes buildings containing a total of 12 individual dwelling units described in detail on Exhibit C, which is attached hereto and incorporated herein by this reference and shown on the Building plans which are attached as Exhibit D, and incorporated herein by this reference, all of which are to be used for residential purposes. The Units are all capable of individual utilization on account of having their own exits to the common elements (either general or limited) of the Real Property, and they will be sold to one or more co-owners, each co-owner obtaining a particular and exclusive real property right thereto, and also undivided interest in the General and Limited Common Elements of the Real Property necessary for their adequate use and enjoyment, all of the above in accordance with the Horizontal Property Act of South Carolina.

4.3 Total Area of Real Property. That the Real Property has a total area of approximately 2.23 acres of which approximately _____ square feet will constitute the buildings.

4.4 Description of Units. That the Units and Common Elements of the Real Property are shown on the Condominium Plat which is attached hereto as Exhibit E and incorporated herein by this reference.

V. ARCHITECTURAL CONTROL.

5.1 Architectural Control. To preserve the original architectural appearance of the Units of the Condominiums, after the purchase of a Condominium Unit from Declarant, its successors, or assigns, no exterior construction of any nature whatsoever, except as specified in the Condominium Documents, shall be commenced or maintained upon any building, including without limitation, the Limited Common Area and Facilities nor shall there be any change, modification or alteration of any nature whatsoever of the design and appearance of any of the exterior surfaces, or facades, nor shall any Owner paint, decorate, or change the color of any exterior surface, gate, fence or roof, nor shall any Owner change the design or color of the exterior lights, nor shall any Owner install, erect or attach to any part of the exterior any sign of any kind whatsoever, nor shall any exterior addition or change, including without limiting the generality of the foregoing the erection or construction of any fence or wall, be made unless and until the plans and specifications showing the nature, kind, shape, height, materials, color and location of the same shall have been submitted to and approved in writing as to harmony of exterior design, color and location in relation to the surrounding structures by the Board of Directors of the Association or by an architect-

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tural committee composed of three or more representatives appointed by the Board. Failure of the Board, or its designated committee, to approve or disapprove such plans and specifications within 30 days after their being submitted to it shall constitute approval.

VI. EXTERIOR MAINTENANCE.

6.1 Responsibility of Association. Except as specifically provided to the contrary herein, the Association shall maintain, repair and replace, at its expense, all parts of the Common Area and Facilities and Limited Common Area and Facilities whether located inside or outside of a Condominium Unit, the cost of which shall be charged to the Unit Owners as a Common Expense subject to the provisions of Section 2 of this Article VI. The Association shall have the irrevocable right, to be exercised by the Board of Directors, or its agent, to have access to each Condominium Unit from time to time during reasonable hours as may be necessary for the inspection, maintenance, repair or replacement of any of the Common Area and Facilities and/or Limited Common Area and Facilities therein or accessible therefrom, or for making emergency repairs therein necessary to prevent damage to the Common Area and Facilities, Limited Common Area and Facilities or to other Units.

6.2 Responsibility of Owner. In the event that the Board of Directors should determine that the need for maintenance or repairs by the Association as provided for in Section 1 of this Article VI is caused through the willful or negligent act of an Owner, his family, guests or invitees, the cost of which is not covered or paid for by insurance then the cost, both direct and indirect, of such maintenance or repairs shall be added to and become a part of the assessment to which such Owner and his Unit is subject. Each Owner shall maintain, repair and replace at his own expense all portions of his Unit which may become in need thereof, including the heating and air-conditioning system for such Unit, all bathroom and kitchen fixtures and appliances, light fixtures, interior nonload-bearing walls, carpeting, drapes and other items within the Unit. Further, each Owner shall, at his own expense, maintain, repair and replace, when necessary, that portion of the air-conditioning system servicing his Unit which is located adjacent to his Unit and each Owner shall, at his own expense, keep the Limited Common Area and Facilities to which his Unit has exclusive access and to which he has exclusive use clean and neat. If the Owner does not make those repairs to be made by him within thirty days from written demand from the Association, the same may be repaired by the Association and the cost thereof shall be assessed against the Unit owned by such Owner.

VII. MECHANICS' LIEN RIGHTS.

7.1 Mechanics' Liens. No labor performed or materials furnished for use in connection with any Unit with the consent or at the request of an Owner or his agent or subcontractor shall create any right to file a statement of mechanics' lien against the Unit of any other Owner not expressly consenting to or requesting the same or against any interest in the Common Elements except as to the undivided interest therein appurtenant to the Unit of the Owner who has given his consent in writing for the filing of a mechanics' and/or materialman's lien for whom such labor shall have been performed and such materials shall have been furnished. Each Owner shall indemnify and hold harmless each of the other Owners from and against liability or loss arising from the claim of any lien against the Condominium Unit, or any part thereof, of any other Owner for labor performed or for materials furnished in work on the first Owner's Unit. At the written request of any Owner the Association shall enforce such indemnity by collecting from the Owner of the Unit on which the labor was performed and materials furnished the amount necessary to discharge any such lien, including all costs incidental thereto, and obtaining a discharge of the lien. Such collection shall be made by a special assessment

VIII. THE ASSOCIATION.

8.1 Membership. Every Owner shall be entitled and required to be a member of the Association. If title to a Condominium Unit is held by more than one person, the membership related to that Condominium Unit shall be shared by all such persons in the same proportionate interests and by the same type of tenancy in which the title to the Condominium Unit is held. An Owner shall be entitled to one membership for each Condominium Unit owned by him. Each such membership shall be appurtenant to the Condominium Unit upon which it is based and shall be transferred automatically by conveyance of that Condominium Unit. No person or entity other than an Owner may be a member of the Association, and a membership in the Association may not be transferred except in connection with the transfer of a Condominium Unit; provided, however, that the rights of membership may be assigned to a Mortgagee as further security for a loan secured by a lien on a Condominium Unit.

8.2 Voting Rights. The voting rights and percentage interest of all members of the Association shall be as set forth on the attached Exhibit B.

8.3 Transfer. Except as otherwise expressly stated herein, any of the rights, interests and obligations of the Association set forth herein or reserved herein may be transferred or assigned to any other person or entity; provided, however, that no such transfer or assignment shall relieve the Association of any of the obligations set forth herein. Any such transfer or assignment shall not revoke or change any of the rights or obligations of any Owners as set forth herein.

8.4 Amplification. The provisions of this Article are to be amplified by the Articles of Incorporation of the Association and by the By-Laws of the Association, provided however, that no such amplification shall substantially alter or amend any of the rights or obligations of the Owners set forth herein.

IX. CERTAIN RIGHTS AND OBLIGATIONS OF THE ASSOCIATION.

9.1 The Common Elements. The Association, subject to the rights of the Owners set forth in this Regime, shall be responsible for the exclusive management and control of the Common Elements and all improvements thereon (including furnishings and equipment related thereto) and shall keep the same in good, clean, attractive and sanitary condition, order and repair; provided, however, that each Owner of a Condominium Unit shall keep the Limited Common Elements designated for use in connection with his Unit in a good, clean, sanitary and attractive condition. The Association shall be responsible for the maintenance and repair of exterior surfaces of the Building, including, without limitation, the painting of the same as often as necessary, the replacement of trim and caulking, the maintenance and repair of roof; the maintenance and repair of other Common Elements, including utility lines and all other improvements or material located within or used in connection with the Common Elements. The specification of duties of the Association with respect to particular Common Elements shall not be construed to limit its duties with respect to other Common Elements, as set forth in the first sentence in this Section.

9.2 Miscellaneous Services. The Association may obtain and pay for the services of any person or entity to manage its affairs, or any part thereof, to the extent it deems advisable, as well as such other personnel as the Association shall determine to be necessary or desirable for the proper operation of the Project, whether such personnel are furnished or employed directly by the Association or by any person or entity with whom or which it contracts. The Association may obtain and pay for legal and accounting services necessary or desirable in connection with the operation of the Project or the enforcement of this Regime. The Association may arrange with others to furnish lighting, heating, water, trash collection, sewer-service and other common services to each Unit.

9.3 Personal Property for Common Use. The Association may acquire and hold for the use and benefit of all of the Owners tangible and intangible personal property and may dispose of the same by sale or otherwise, and the beneficial interest in any such property shall be deemed to be owned by the Owners in the same proportion as their respective interests in the Common Elements. Such interest shall not be transferable except with the transfer of a Condominium Unit. A transfer of a Condominium Unit shall transfer to the transferee ownership of the transferor's beneficial interest in such property without any reference thereto. Each owner may use such property in accordance with the purpose for which it is intended, without hindering or encroaching upon the lawful rights of other Owners. The transfer of title to a Condominium Unit under foreclosure shall entitle the purchaser to the interest in such personal property associated with the foreclosed Condominium Unit.

9.4 Rules and Regulations. The Association may make reasonable rules and regulations governing the use of the Units and of the Common Elements, which rules and regulations shall be consistent with the rights and duties established in this Master Deed. Such rules and regulations may include, without limitation: (1) a requirement that draperies, shades or other interior window coverings used in Units shall present a uniform appearance of type and color from the exterior of the Building and that the Association shall have the right to inspect and approve all proposed draperies, shades or other interior window coverings to insure compliance with such rule before installation thereof in any Unit, and (2) assignment of particular portions of storage areas within the Common Elements for exclusive use by Owners of particular Condominium Units. The Association may suspend any Owner's voting rights in the Association during any period or periods during which such Owner fails to comply with such rules and regulations, or with any other obligations of such Owner under this Regime. The Association may also take judicial action against any Owner to enforce compliance with such rules, regulations or other obligations or to obtain damages for noncompliance, all to the extent permitted by law.

9.5 Implied Rights. The Association may exercise any other right or privilege given to it expressly by this Regime or by law, and every other right or privilege reasonably to be implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege.

9.6 Construction and Sale Period. Anything contained herein to the contrary notwithstanding, it shall be permissible for Grantor to maintain, during the period of construction and sale of said Units, upon such portion of the property as the Declarant may deem necessary, such facilities as in the sole opinion of the Declarant may be reasonably required, convenient or incidental to the construction and sale of said Units, including, but without limitation, a business office, storage area, construction yards, signs, model units and sales office.

X. ASSESSMENTS.

10.1 Creation of Lien and Personal Obligation for Assessments. Each Condominium Unit is and shall be subject to a lien and permanent charge in favor of the Association for the annual and special Assessments set forth in this Article X. Each Assessment together with interest thereon and cost of collection thereof is hereinafter provided, shall be a permanent charge and continuing lien upon the Condominium Unit against which it relates, and shall also be the joint and several personal obligation of each Owner of such Condominium Unit at the time the Assessment comes due and upon such Owner's successor in title if unpaid on the date of the conveyance of such unit, and each and every Owner by acquiring or holding an interest in any Condominium Unit thereby covenants to pay such amount to the Association when the same shall become due. The purchaser of a Condominium Unit at a judicial or foreclosure sale shall be liable only for the Assessments coming due after the date of such sale.

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10.2 Annual Assessments. No later than December 1, of each calendar year, the Board of Directors shall set the annual Assessments by estimating the Common Expenses to be incurred during the immediately succeeding calendar year and shall prorate such Common Expenses among the Owners of the Condominium Units in accordance with the Percentage Interest appurtenant to such Condominium Units, and shall give written notice to each Unit Owner of the annual Assessment fixed against his Unit for such immediately succeeding calendar year. The annual Assessments levied by the Association shall be collected by the Treasurer as provided in Section 4 of this Article X.

Until January 1, 1975, the maximum annual Assessment payable to the Association shall be Seven Thousand Five Hundred (\$7,500) Dollars or the applicable portion thereof due to the fact that not all of the Units shall have been conveyed during the term of the calendar year. 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 and services and facilities devoted to this purpose and related to the use and enjoyment of the Common Area and of the Condominium Units situated upon the property. Such assessments shall include, but not be limited to, funds for the actual costs to the Association for all administration, casualty insurance for the units, repairs and replacements of the units, and maintenance of the Common Areas.

The annual Assessments shall not be used to pay for the following:

- (a) Casualty insurance of individual Owners on their possessions within the Units, and liability insurance of such owners insuring themselves and their families individually, which shall be the sole responsibility of such Owners;
- (b) Telephone, gas, or electrical utility charges for each Unit which shall also be the sole responsibility of the Owners of such Units.

10.3 Special Assessments. In addition to the annual Assessments, the Association may levy in any calendar year, special Assessments for the purpose of supplementing the annual Assessments if the same are inadequate to pay the Common Expenses and of defraying, in whole or in part, the cost of any construction or reconstruction, repair or replacement of the Limited Common Area, the Common Area and Facilities, including the necessary fixtures and personnel property related thereto, if any, provided, however, that any such special Assessments shall have the assent of a majority of the votes represented, in person or by proxy, at a meeting, at which a quorum is present, duly called for the express purpose of approving such expenditure written notice of which shall be sent to all Owners not less than ten (10) days nor more than sixty (60) days in advance of the meeting, which notice shall set forth the purpose of the meeting. Special Assessments shall be fixed against the Units according to their Percentage Interests; the period of the Assessment and manner of payment shall be determined by the Board.

10.4 Date of Commencement of Annual Assessments; Due Dates. Although the annual Assessment is calculated on a calendar year basis, each Owner of a Condominium Unit shall be obligated to pay to the Treasurer of

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the Association such Assessment in equal monthly installments on or before the first day of each month during such calendar year, or in such other reasonable manner as the Board of Directors shall designate.

The annual Assessments provided for in this Article X shall as to each Condominium Unit commence upon the conveyance thereof (the "commencement date"). The first payment of the annual Assessment for each such Unit shall be an amount (rounding to the nearest whole dollar) equal to the proportion of the monthly payment for the fiscal year in effect for the month of conveyance plus the remaining monthly payments in the fiscal year. This amount is to be paid in full by Owner upon conveyance.

The Association shall, upon demand at any time, furnish to any Condominium Owner liable for any such Assessment a certificate in writing signed by an officer of the Association, setting forth whether the same has been paid. A reasonable charge, as determined by the Board, may be made for the issuance of such certificates. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

10.5 Effect of Non-Payment of Assessment; The Personal Obligation of the Owner; the Lien; Remedies of Grantor. If an Assessment is not paid on the date when due, as hereinabove provided, then such Assessment together with such interest hereon and any cost of collection thereof as hereafter provided, shall be a charge and continuing lien on the Unit to which it relates, and shall bind such property in the hands of the Owner, his heirs, legal representatives, successors, and assigns. The personal obligation of the then Owner to pay such Assessment, however, shall remain his personal obligation and if his successor in title assumes his personal obligations, such prior Owner shall nevertheless remain as fully obligated as before to pay to the Association any and all amounts which he was obligated to pay immediately preceding the transfer; and such prior Owner and his successor in title who assumes such liabilities shall be jointly and severally liable with respect thereto, notwithstanding any agreement between such prior Owner and his successor in title creating other than one by virtue of which such prior Owner and his successor in title would be jointly and severally liable to pay such amounts.

Any such Assessment not paid by the 10th of the month within which such Assessment is due shall bear interest from such date (the "delinquency date") at the maximum legal rate allowable under South Carolina law. The Association may bring legal action against the Owner personally obligated to pay the same or foreclose its lien against the Unit to which it relates or pursue either such course at the same time or successively. In any such event, the Association shall also be entitled to recover attorney's fees actually incurred but not exceeding fifteen percent (15%) of the amount of the delinquent assessment, and all other costs of collection. Each Owner, by his acceptance of a deed or other conveyance to a Unit, vests in the Association or its agent the right and power to bring all actions against him personally for the collection of such charges as a debt and to foreclose the aforesaid lien in any appropriate proceeding at law or in equity. The Association shall have the power to bid in the Unit at any foreclosure sale and to require, hold, lease, mortgage and convey the same. No Owner may be relieved from liability from the Assessments provided for herein by abandonment of his Unit or otherwise.

10.6 Subordination of the Charges and Liens to Mortgages. (a) The lien and permanent charge for the annual and special Assessments (together with interest thereon and any cost of collection) authorized herein with respect to any Unit is hereby made subordinate to the lien of any mortgagee or his assigns placed on such Unit if, but only if all such Assessments with respect to such lot having a due date on or prior to the date such mortgage is filed for record have been paid. The lien and permanent charge hereby subordinated is only such lien and charge as relates to Assessments authorized hereunder having a due date subsequent to the date such mortgage is filed for a record and prior to the satisfaction, cancellation or foreclosure of such mortgage or the sale or transfer of the mortgaged property pursuant to any proceeding in lieu of foreclosure or the sale under power contained in such mortgage.

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(b) Such subordination is merely a subordination and shall not relieve the Owner of the mortgaged property of his personal obligation to pay all Assessments coming due at a time when he is the Owner; shall not relieve such property from the lien and permanent charge provided for herein (except as to the extent of subordinated lien and permanent charge is extinguished as a result of such subordination or against a mortgagee or such mortgagees, assignee, or transferee by foreclosure or by sale or transfer in any proceeding in lieu of foreclosure or by sale under power); and no sale or transfer of such property to the mortgagee or to any other person pursuant to a foreclosure sale, or pursuant to any other proceeding in lieu of foreclosure, or pursuant to a sale under power, shall relieve any existing or previous Owner of such property of any personal obligation, or relieve subsequent Condominium Owners from liability for any Assessment coming due after such sale or transfer.

(c) Notwithstanding the foregoing, the Association may in writing, at any time, whether before or after any mortgage or mortgages are placed on such property, waive, relinquish or quit-claim in whole or in part the right of the Association to Assessments provided for hereunder with respect to such property coming due during the period while such property is or may be held by mortgagee or mortgagees pursuant to said sale or transfer.

10.7 Exempt Property. Each Unit shall be exempt from the Assessments created herein until such Unit is conveyed by Grantor to an Owner. Except as expressly provided herein, no Unit and its appurtenant Percentage Interest shall be exempt from said Assessments.

10.8 Notification of Delinquency. In the event any Owner becomes more than 30 days past due in any Assessments levied under this Article X and such delinquency shall continue for an additional 5 days, then the Association shall notify in writing any holders of first Mortgages if requested by the holders.

XI. USE OF CONDOMINIUM UNITS.

11.1 Residential. Each Condominium Unit shall be used for residential purposes only, and no trade or business of any kind may be carried on therein. Lease or rental of a Condominium Unit for lodging or residential purposes shall not be considered to be a violation of this covenant.

11.2 Use of Common Elements. There shall be no obstruction of the Common Elements, nor shall anything be kept or stored on any part of the Common Elements without the prior written consent of the Association, except as specifically provided herein. Nothing shall be altered on, constructed in, or removed from, the Common Elements except upon the prior written consent of the Association.

11.3 Prohibition of Damage and Certain Activities. Nothing shall be done or kept in any Unit or in the Common Elements or any part thereof which would result in the cancellation of the insurance on the Project or any part thereof or increase of the rate of insurance on the Project or any part thereof over what the Association, but for such activity, would pay, without the prior written consent of the Association. Nothing shall be done or kept in any Unit or in the Common Elements or any part thereof which would be in violation of any statute, rule, ordinance, regulation, permit or other validly imposed requirement of any governmental body. No damage to, or waste of, the Common Elements or any part thereof shall be committed by any Owner or any invitee of any Owner, and each Owner shall indemnify and hold the Association and the other Owners harmless against all loss resulting from and such damage or waste caused by him or his invitees; provided, however, that any invitee of the Grantor shall not under any circumstances be deemed to be an invitee of any other Owner. No noxious, destructive or offensive activity shall be carried on in any Unit or in the Common Elements or any part thereof, nor shall anything be done therein which may be or may become an annoyance or nuisance to any other Owner or to any person at any time lawfully residing in the Project.

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11.4 Animals. The Association may by rules and regulations prohibit or limit the raising, breeding, or keeping of animals in any Unit or on the Common Elements or any part thereof.

11.5 Rules and Regulations. No Owner shall violate the rules and regulations for the use of the Units and of the Common Elements as adopted from time to time by the Association.

11.6 Maintenance of Interiors. Each Owner shall keep the interior of his Unit, including, without limitation, interior walls, windows, glass, ceilings, floors and permanent fixtures and appurtenances thereto, in a clean, sanitary and attractive condition, and good state of repair.

11.7 Structural Alterations. No structural alterations to any Unit shall be made, and no plumbing, electrical or similar work within the Common Elements shall be done by any Owner without the prior written consent of the Association.

XII. INSURANCE

12.1 Types of Insurance. The Association shall obtain and keep in full force and effect at all times the following insurance coverage provided by companies duly authorized to do business in South Carolina and the Association must continue to carry the following insurance with the same insurance company throughout the duration of the Regime. The provisions of this Article shall not be construed to limit the power or authority of the Association to obtain and maintain insurance coverage, in addition to any insurance coverage required hereunder, in such amounts and in such forms as the Association may deem appropriate from time to time.

(a) Casualty Insurance. The Association shall obtain insurance on the Project in such amounts as shall provide for full replacement thereof in the event of damage or destruction from the casualty against which such insurance is obtained, all in the manner in which a corporation owning similar multiple family residential buildings in the vicinity of the Project would, in the exercise of prudent business judgement, obtain such insurance. Such insurance shall include fire and extended coverage, vandalism and malicious mischief, war risk insurance if available and if deemed appropriate by the Association, and such other risks and hazards against which the Association shall deem it appropriate to provide insurance protection. The Association may comply with the above requirements by the purchase of blanket coverage and may elect such "deductible" provisions as in the Association's opinion are consistent with good business practice.

(b) Public Liability and Property Damage Insurance. The Association shall purchase broad form comprehensive liability coverage in such amounts and in such forms as it deems advisable to provide adequate protection. Coverage shall include, without limitation, liability for personal injuries, and activities in connection with the ownership, operation, maintenance and other use of the Project.

(c) Fidelity Insurance. The Association shall purchase, in such amounts and in such forms as it shall deem appropriate, coverage against dishonesty of employees, destruction or disappearance of money or securities, and forgery.

(d) Other. The Association may obtain insurance against such other risks, of a similar or dissimilar nature, as it shall deem appropriate with respect to The Project, including any personal property of the Association located thereon.

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12.2 Form. Casualty insurance shall be carried in a form or forms naming the Association the insured, as trustee for the Owners and for Grantor, whether or not it is a Owner, which policy or policies shall specify the interest of each Condominium Unit Owner (Owner's name, Unit number, the appurtenant undivided interest in the Common Elements), and which policy or policies shall provide a standard, noncontributory mortgagee clause in favor of each first Mortgagee which from time to time shall give notice to the Association of such first Mortgage. Each policy also shall provide that it cannot be canceled by either the insured or the insurance company until after ten days' prior written notice is first given to each Owner, to Grantor and to each first Mortgagee. The Association shall furnish to each Owner a true copy of such policy together with a certificate identifying the interest of the Owner. All policies of insurance shall provide that the insurance thereunder shall be invalidated or suspended only in respect to the interest of any particular Owner guilty of breach of warranty, act, omission, negligence or noncompliance with any provision of such policy, including payment of the insurance premiums applicable to that Owner's interest, or who permits or fails to prevent the happening of any event, whether occurring before or after a loss, which under the provisions of such policy would otherwise invalidate or suspend the entire policy. All policies of insurance shall provide further that the insurance under any such policy, as to the interest of all other insured Owners not guilty of any such act or omission, shall not be invalidated or suspended and shall remain in full force and effect.

Public liability and property damage insurance shall name the Association the insured, as trustee for the Owners and for Grantor, whether or not it is an Owner, and shall protect each Owner and Grantor against liability for acts of the Association in connection with the ownership, operation, maintenance or other use of the Project.

12.3 Owner's Responsibility. Insurance coverage on the furnishings initially placed in the Unit by Grantor, and, regardless of the Association's election, insurance coverage against loss from theft on all personal property, and insurance coverage on items of personal property placed in the Unit by Owner, and casualty and public liability insurance coverage within each individual Unit and for activities of the Owner, not acting by the Association, with respect to the Common Elements shall be the responsibility of the respective Owners.

12.4 Insurance Proceeds. The Association shall receive the proceeds of any casualty insurance payments received under policies obtained and maintained pursuant to this Article. To the extent that reconstruction is required herein, the proceeds shall be used for such purpose. To the extent that reconstruction is not required herein and there is a determination that the Project shall not be rebuilt, the proceeds shall be distributed in the same manner herein provided in the event of sale of obsolete Units.

12.5 Owner's Own Insurance. Notwithstanding the provisions hereof, each Owner may obtain insurance at his own expense providing coverage upon his Condominium Unit, his personal property, for his personal liability, and covering such other risks as he may deem appropriate, but each such policy shall provide that it does not diminish the insurance carrier's coverage for liability arising under insurance policies which the Association obtains pursuant to this Article. All such insurance of the Owner's Condominium Unit shall waive the insurance company's right of subrogation against the Association, the other Owners, and the servants, agents, guests of any of them, if such insurance can be obtained in the normal practice without additional premium charge for the waiver of rights of subrogation.

XIII. CASUALTY DAMAGE OR DESTRUCTION

13.1 General Authority of Association. As attorney in fact, the Association shall have full and complete authorization, right and power to make,

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execute and deliver any contract, deed, or other instrument with respect to the interest of a Condominium Unit Owner which may be necessary or appropriate to exercise the powers herein granted. Repair and reconstruction of the improvements as used in the succeeding Sections mean restoring the Project to substantially the same condition in which it existed prior to damage, with each Unit and the Common Elements having substantially the same vertical and horizontal boundaries as before. The proceeds of any insurance collected must be used by the Association for the purpose of repair or reconstruction unless reconstruction will comprise the whole or more than two thirds of the property.

Reconstruction shall not be compulsory where it comprises the whole or more than two thirds of the property. In such case, and unless otherwise unanimously agreed upon by the co-owners, the indemnity shall be delivered pro rata to the co-owners entitled to it in accordance with provision made in the by-laws or in accordance with a decision of three fourths of the co-owners if there is no by-law provision.

13.2 Estimate of Costs. As soon as practicable after an event causing damage to, or destruction of, any part of the Project, the Association shall obtain complete and reliable estimates of the costs of repair or reconstruction of that part of the Project damaged or destroyed.

13.3 Repair or Reconstruction. As soon as practicable after receiving these estimates the Association shall diligently pursue to complete the repair or reconstruction of the part of the Project damaged or destroyed. The Association may take all necessary or appropriate action to effect repair or reconstruction, as attorney in fact for the Owners, and no consent or other action by any Owner shall be necessary in connection therewith. Such repair or reconstruction shall be in accordance with the original plans and specifications of the Project or may be in accordance with any other plans and specifications the Association may approve, provided that in such latter event the number of cubic feet and the number of square feet of any Unit may not vary by more than 5% from the number of cubic feet and the number of square feet for such Unit as originally constructed pursuant to such original plans and specifications, and the location of the building shall be substantially the same as prior to damage or destruction.

13.4 Funds for Reconstruction. The proceeds of any insurance collected shall be available to the Association for the purpose of repair or reconstruction. If the proceeds of the insurance are insufficient to pay the estimated or actual cost of such repair or reconstruction, the Association may levy in advance a special assessment sufficient to provide funds to pay such estimated or actual costs of repair or reconstruction. Such assessment shall be allocated and collected as provided in Article X. Further levies may be made in like manner if the amounts collected prove insufficient to complete the repair or reconstruction.

13.5 Disbursement of Funds for Repair or Reconstruction. The insurance proceeds held by the Association and the amounts received from the assessments provided for in 13.4 constitute a fund for the payment of cost of repair and reconstruction after casualty. It shall be deemed that the first money disbursed in payment for cost of repair or reconstruction shall be made from insurance proceeds; if there is a balance after payment of all costs of such repair or reconstruction, such balance shall be distributed to the Owners in proportion to contributions each Owner made pursuant to the assessments levied by the Association.

13.6 Decision Not to Rebuild. If all Owners and all holders of first Mortgages on Condominium Units agree not to rebuild as provided herein, when more than two thirds of the property has been destroyed, the Project shall be sold and the proceeds distributed in the same manner provided in the event of sale of Absolute Units. Notwithstanding any provision contained here-

in, no Owner shall be required to sell his interest unless both the Owner and any holder of a first Mortgage on the Condominium Unit, if applicable, shall agree to the sale.

XIV. OBSOLESCENCE.

14.1 Adoption of a Plan. The Owners representing an aggregate ownership interest of 85% or more of the Units may agree that the Project is obsolete and adopt a written plan for the renewal and reconstruction. Written notice of adoption of such a plan shall be given to all Owners.

14.2 Payment for Renewal and Reconstruction. The expense of renewal or reconstruction shall be payable by all of the Owners as assessments against their respective Condominium Units. These assessments shall be levied in advance and shall be allocated and collected as provided in this Regime. Further levies may be made in like manner if the amounts collected prove insufficient to complete the renewal and reconstruction. In the event amounts collected pursuant hereto are in excess of the amounts required for renewal and reconstruction, the excess shall be returned to the Owners by the Association by a distribution to each Owner in an amount proportionate to the respective amount collected from each such Owner.

14.3 Dissents from the Plan. An Owner not a party to such a plan for renewal or reconstruction may give written notice of dissent to the Association within fifteen days after receipt of notice of adoption of the plan. The Association shall then give written advice of such dissents to all the Owners within five days after the expiration of such fifteen-day period. Within fifteen days of receipt of such notice from the Association the owners representing an aggregate ownership of more than 15% of the Units may cancel the plan by notifying the Association in writing of their dissent. If the plan is not canceled then the Condominium Units of each dissenter shall be purchased according to the following procedures. If the Owner and the Association can agree on the fair market value thereof, then such sale and conveyance shall be completed within sixty days thereafter. If the parties are unable to agree, the date when either party notifies the other that he or it is unable to agree with the other shall be the "commencing date" from which all periods of time mentioned herein shall be measured. Within ten days following the commencing date, each party shall nominate a qualified appraiser by written nomination and shall give notice of such nomination to the other. If either party fails to make such nomination, the appraiser nominated shall, within five days after default by the other party, appoint and associate with him another qualified appraiser. If the two appraisers designated by the parties, or selected pursuant hereto in the event of default of one party, are unable to agree, they shall appoint another qualified appraiser to be umpire between them, if they can agree on such person. If they are unable to agree upon such umpire, then each appraiser previously appointed shall nominate two qualified appraisers, and from the names of the four persons so nominated one shall be drawn by lot by a judge of any court of record in South Carolina, and the person whose name is so drawn shall be the umpire. The nominations from among which the name of the umpire is to be drawn by lot shall be submitted within ten days of the failure of the two appraisers to agree, which, in any event, shall not be later than twenty days following the appointment of the second appraiser. The decision of the appraisers as to the fair market value, or in the case of their disagreement, the decision of such umpire shall be final and binding. The expenses and fees of such appraisers shall be borne equally by the Association and the Owner.

The sale shall be consummated within sixty days after decision of the appraisers, and the Association as attorney in fact shall disburse the proceeds first to lienors in the order of the priority of their liens and the balance remaining to the Condominium Unit Owner. The obligation of the Association to make such purchase shall be conditioned on the fair market value of the Condominium Unit exceeding the obligations secured by liens on such Condominium Unit, and upon the marketability of the title of the Owner. Owner shall furnish the Association an appropriate abstract of title or commitment for title insurance evidencing marketability of his title not less than fifteen days prior to the date set for completion of the sale.

The Association may levy a special assessment sufficient to provide funds to pay for the Condominium Units of the dissenters, provided that such assessments shall not apply to any of the Owners who are among the dissenters and shall not be liens against the Condominium Units of such Owners.

14.4 Sale of Obsolete Units. The Owners may unanimously agree that the Condominium Units are obsolete and that the Project should be sold. In such instance the Association shall forthwith record a notice setting forth such fact or facts, and upon the recording of such notice by the Association the Project shall be sold by the Association as attorney in fact for all of the Owners free and clear of the provisions contained in this Regime, the Condominium Plat and the By-Laws of the Association. The sale proceeds shall be apportioned among the Owners in proportion to the respective percentage interest as set forth on Exhibit B, and such apportioned proceeds shall be paid into separate accounts, each such account representing one Condominium Unit. Each such account shall remain in the name of the Association, and shall be further identified by the Condominium Unit designation and the name of the Owner. From each separate account the Association, as attorney in fact, shall use and disburse the total amount of such accounts without contribution from one account to the other, first to payment of valid tax and special assessment liens on the Condominium Unit in favor of any governmental assessing authority, next to payment of assessments made pursuant to the Declaration of Residential Area Easements and Protective Covenants for Stone Creek Cove Homeowners Association described hereinafter, next to payment of assessments made pursuant to this Condominium Regime, next to other lienors in the order of priority of their liens, and the balance remaining, if any, to each respective Owner.

XV. CONDEMNATION.

15.1 Consequences of Condemnation. If at any time or times during the continuance of the condominium ownership pursuant to this Regime, all or any part of the Project shall be taken or condemned by any public authority or sold or otherwise disposed of in lieu of or in avoidance thereof, the following provisions shall apply.

15.1 Proceeds. All compensation, damages, or other proceeds therefrom, the sum of which is hereinafter called the "Condemnation Award" shall be payable to the Association.

15.3 Complete Taking. In the event that the entire Project is taken or condemned, or sold or otherwise disposed of in lieu of or in avoidance thereof, the condominium ownership pursuant thereto shall terminate. The Condemnation Award shall be apportioned among the Owners in proportion to their respective ownership as set forth in Exhibit B.

On the basis of the principal set forth in the last preceding paragraph, the Association shall as soon as practicable determine the share of the Condemnation Award to which each Owner is entitled. Such shares shall be paid into separate accounts and disbursed as soon as practicable in the same manner provided in Section 14.4 of this Regime.

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15.4 Partial Taking. In the event that less than the entire Project is taken or condemned, or sold or otherwise disposed of in lieu of or in avoidance thereof, the condominium ownership hereunder shall not terminate. Each Owner shall be entitled to a share of the Condemnation Award to be determined in the following manner: As soon as practicable the Association shall, reasonably and in good faith, allocate the Condemnation Award between compensation, damages, or other proceeds, and shall apportion the amounts so allocated among the Owners, as follows: (a) the total amount allocated to taking of or injury to the Common Elements shall be apportioned among Owners in proportion to their respective undivided interests in the Common Elements, (b) the total amount allocated to severance damages shall be apportioned to those Condominium Units which were not taken or condemned, (c) the respective amounts allocated to the taking of or injury to a particular Unit and/or improvements an Owner has made within his own Unit shall be apportioned to the particular Unit involved, and (d) the total amount allocated to consequential damages and any other takings or injuries shall be apportioned as the Association determines to be equitable in the circumstances. If an allocation of the Condemnation Award is already established in negotiation, judicial decree, or otherwise, then in allocating the Condemnation Award the Association shall employ such allocation to the extent it is relevant and applicable. Such allocated amounts shall be paid into separate accounts, each such account representing one Condominium Unit. Each such account shall remain in the name of the Association, and shall be further identified by the Condominium Unit designation and the name of the Owner. Such accounts shall be distributed by the Association as attorney in fact for each of the Owners, in the same manner herein provided in the event of sale of obsolete Units.

15.5 Reorganization. In the event a partial taking results in the taking of a complete Unit, the Owner thereof automatically shall cease to be a member of the Association. Thereafter the Association shall reallocate the ownership, voting rights, and assessment ratio determined in accordance with this Regime according to the same principles employed in this Regime at its inception and shall submit such reallocation of the Owners of remaining Units for amendment of this Regime.

15.6 Reconstruction and Repair. Any reconstruction and repair necessitated by condemnation shall be governed by the procedures specified herein in cases of Casualty Damage or Destruction.

XVI. REVOCATION OR AMENDMENT TO REGIME.

16.1 Revocation of Master Deed. This Master Deed shall not be revoked unless all the Owners as reflected on the real estate records of Anderson County, South Carolina, and all of the holders of any Mortgage appearing in such records and covering or affecting any or all of the Condominium Units unanimously consent and agree to such revocation or amendment by instruments duly recorded.

16.2 Amendment of Master Deed and By-Laws. This Master Deed and the By-Laws of the Association may be amended from time to time at a duly held meeting of the Association by the affirmative vote of the Owners holding two thirds (2/3) or more of the total interest in General Common Elements, provided, however that no amendment shall alter the dimensions of a Unit or its appurtenant interest in General Common Elements without the written consent of the Unit Owner affected by the proposed alteration. Duly adopted amendments shall become effective when an instrument setting forth the amendment has been executed and filed of record by the officers of the Association.

16.3 Amendment of Master Deed to Include Phase III. Grantor reserves the right to amend this Master Deed at any time prior to June 1, 1975, in order to incorporate into Stone Creek Cove Condominium I Horizontal Property Regime the tract of land described in Exhibit A as Phase II, including the condominium units, buildings, and other improvements to be constructed upon such land. In the event this Master Deed is amended to include Phase III, an amendatory declaration will be filed of record by Grantor which will declare that schedule II of Exhibit B shall be effective to determine the percentage ownership of

General Common Elements by the Owners as of the date of filing the amendatory declaration.

Each Unit Owner, upon the acceptance of a deed to the Unit whether so expressed in the deed or not, consents to the amendment of the Master Deed to include Phase III, Exhibit A in the Master Deed.

16.4 Amendment for Statutory Compliance. Any provision contained herein notwithstanding, the Association is given the authority as attorney in fact to amend the Master Deed or the By-Laws on behalf of the Owners for the sole purpose of bringing the Master Deed into statutory compliance.

XVII. PERIOD OF CONDOMINIUM OWNERSHIP.

17.1 Duration. The condominium ownership created by this Regime and the Condominium Plat shall continue until this Regime is revoked or terminated in the manner provided in Articles herein dealing with obsolescence, condemnation, or revocation.

XVIII. MISCELLANEOUS.

18.1 Parking Spaces. The Association has the authority to assign the parking spaces to the Owners on an equitable basis to be determined by the Board of Directors.

18.2 Compliance with Provisions of Regime and By-Laws of the Association. Each Owner shall comply with the provisions of this Regime, the Articles of Incorporation and the By-Laws of the Association, and the decisions and resolutions of the Association adopted thereto as the same may be lawfully amended from time to time. Failure to comply with any of the same shall be grounds for an action to recover sums due and for damages or injunctive relief or both, maintainable by the Association on behalf of the Owners, or, in a proper case, by an aggrieved Owner.

18.3 Registration of Mailing Address. Each Owner shall register his mailing address with the Association and all notices or demands intended to be served upon any Owner shall be sent by either registered or certified mail, postage prepaid, addressed in the name of the Owner at such registered mailing address. All notices or demands intended to be served upon the Association shall be given by registered or certified mail, postage prepaid, to the address of the Association as designated in the By-Laws of the Association. All notices or demands to be served on Mortgagees pursuant hereto shall be sent by either registered or certified mail, postage prepaid, addressed in the name of the Mortgagee at such address as the Mortgagee may have furnished to the Association in writing. Unless the Mortgagee furnishes the Association such address, the Mortgagee shall be entitled to receive none of the notices provided for in this Regime. Any notice referred to in this Section shall be deemed given when deposited in the United States mail in the form provided for in this Section.

18.4 Transfer of Grantor's Rights. Any right or any interest reserved hereby to the Grantor may be transferred or assigned by the Grantor, either separately or with one or more of such rights or interests, to any person or entity.

18.5 Owner's Obligations Continue. All obligations of the Owner under and by virtue of the provisions contained in this Regime shall continue, notwithstanding that he may have leased or rented said interest as provided herein, but the Owner of a Condominium Unit shall have no obligation for expenses or other obligations accruing after he conveys such Condominium Unit.

18.6 Declaration for Stone Creek Cove. The Project is subject to the Declaration of Residential Area Easements and Protective Covenants for Stone

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Creek Cove Subdivision; recorded in Deed Book 17-N Page 334 of the records in the Office of the Clerk of Court of Anderson County, South Carolina. Said Declaration provides for the management of certain facilities and the undertaking of certain functions within certain areas for and on behalf of owners of property within the areas subject thereto by Stone Creek Cove Homeowners Association, a non-profit corporation. Each Owner, as defined herein, by the acceptance of a conveyance of a Condominium Unit, shall become a member in said Association, and shall be entitled to the benefits, and subject to the obligations, including obligations with respect to assessments; as provided in said Declaration.

18.7 Reserve Account. At the termination of any year covered by the annual assessments, if there is any surplus then this surplus shall be placed into a reserve account. In any subsequent year, these funds in the reserve account may be applied as the appropriate officers in their sole discretion shall decide. In no event, shall these funds be returned pro rata but shall be retained and considered as stockholders contribution to capital.

18.8 NCNB Mortgage Corporation's Agreements. NCNB Mortgage Corporation, a North Carolina corporation, is the holder of a first mortgage for the acquisition and development of the Real Property and a second mortgage for the construction of the Units of this Horizontal Property Regime. NCNB Mortgage Corporation hereby agrees to be bound by the terms of this Master Deed and subordinates the above-referenced mortgages to the Master Deed as is evidenced by NCNB Mortgage Corporation entering into the execution of this Master Deed and Horizontal Property Regime.

18.9 Number and Gender. Whenever used herein, unless the context shall otherwise provide, the singular number shall include the plural, the plural the singular, and the use of any gender shall include all genders.

18.10 Severability. If any of the provisions of this Regime or any paragraph, sentence, clause, phrase or word or the application thereof in any circumstance be invalidated, such invalidity shall not affect the validity of the remainder of the Regime, and the application of any such provision, paragraph, sentence, clause, phrase or word in any other circumstances shall not be affected thereby.

18.11 Statute. The provisions of this Regime shall be in addition and supplemental to the Horizontal Property Act of the State of South Carolina and to all other provisions of law.

IN WITNESS WHEREOF, the Grantor has hereunto set his hand and seal. Dated in day and year first above written.

STONE CREEK COVE, LIMITED PARTNERSHIP
BY: ENVIRONMENT BUILDERS OF AMERICA, INC
SOLE GENERAL PARTNER

Signed, sealed and delivered
in the presence of:

Gloria A. Porter *Richard O. Herbert* (L.S.)
By: Richard O. Herbert, President
Jenny Childs *Joseph G. Wright*
Attested: Joseph G. Wright, Secretary

Corporate Seal

NCNB Mortgage Corporation

Signed, sealed and delivered
in the presence of:

Sonja S. Komlos *Kenneth W. Erwin* (L.S.)
By: Kenneth W. Erwin, Asst. Vice President

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STATE OF SOUTH CAROLINA)
COUNTY OF ANDERSON)

STONE CREEK COVE LIMITED PARTNERSHIP)
TO) AMENDMENT NO. 3
STONE CREEK COVE CONDOMINIUM I) to
HORIZONTAL PROPERTY REGIME) MASTER DEED

WHEREAS, at Stone Creek Cove subdivision, County of Anderson, and State of South Carolina, on this 15th day of October, 1973, Stone Creek Cove Limited Partnership whose principal office is situated at 111 Garvin Street, Town of Pickens, State of South Carolina, hereinafter referred to as Grantor, hereby declared and executed the Master Deed to Stone Creek Cove Condominium I Horizontal Property Regime and caused the Master Deed to be filed in the Office of the Clerk of Court of Anderson County, in Deed Book 17-Q at Page 757; and

WHEREAS, Stone Creek Cove Limited Partnership has amended the building plans of the Master Deed referenced above in AMENDMENT NO. 1 to MASTER DEED filed in the Office of the Clerk of Court for Anderson County; and

WHEREAS, Stone Creek Cove Limited Partnership has amended the Master Deed referenced above in AMENDMENT NO. 2 to MASTER DEED to amend SCHEDULE I and SCHEDULE II of Exhibit B and Item 10.2 to decrease the amount of the yearly assessment because of a reduction in the cost of insurance; and

WHEREAS, Stone Creek Cove Limited Partnership has received a further reduction in the cost of insurance and deems it in the future owners of condominiums of Stone Creek Cove Condominium I Horizontal Property Regime to amend SCHEDULE I and SCHEDULE II of Exhibit B and Item 10.2;

THEREFORE, the Master Deed establishing Stone Creek Cove Condominium I Horizontal Property Regime is hereby amended by replacing SCHEDULE I and SCHEDULE II with the amendment attached hereto as Exhibit B and by amending Item 10.2 as follows:

10.2 Annual Assessments. No later than December 1, of each calendar year, the Board of Directors shall set the annual Assessments by estimating the Common Expenses to be incurred during the immediately succeeding calendar year and shall prorate such Common Expenses among the Owners of the Condominium Units in accordance with the Percentage Interest appurtenant to such Condominium Units, and shall give written notice to each Unit Owner of the annual Assessment fixed against his Unit for such immediately succeeding calendar year. The annual Assessments levied by the Association shall be collected by the Treasurer as provided in Section 4 of this Article X.

Until January 1, 1974, the maximum annual Assessment payable to the Association shall be Four Thousand (\$4,000) Dollars or the applicable portion thereof due to the fact that not all of the Units shall have been conveyed during the term of the calendar year. 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 and services and facilities devoted to this purpose and related to the use and enjoyment of the Common Area and of the Condominium Units situated upon the property. Such Assessments shall include, but not be

limited to, funds for the actual costs to the Association for all administration, casualty insurance for the units, repairs and replacements of the units, and maintenance of the Common Areas.

The annual Assessments shall not be used to pay for the following:

(a) Casualty insurance of individual Owners on their possessions within the Units, and liability insurance of such owners insuring themselves and their families individually, which shall be the sole responsibility of such Owners:

(b) Telephone, gas, or electrical utility charges for each Unit which shall also be the sole responsibility of the Owners of such Units.

IN WITNESS WHEREOF, the Grantor has hereunto set its hand and seal this 15th day of January, 1974.

STONE CREEK COVE, LIMITED PARTNERSHIP
BY: ENVIRONMENT BUILDERS OF AMERICA, INC.
SOLE GENERAL PARTNER

Signed, sealed and delivered
in the presence of:

Maria H. Porter
Patricia B. Durham

By: Mike W. Graham (L.S.)
Mike W. Graham - Vice President

ATTESTED: Joseph G. Wright, III
Joseph G. Wright, III -
Secretary

CORPORATE SEAL

STATE OF SOUTH CAROLINA)
COUNTY OF PICKENS)

P R O B A T E

Personally appeared before me the undersigned who, on oath says that (s)he saw the within named Stone Creek Cove Limited Partnership by Environment Builders of America, Inc., its General Partner, by Mike W. Graham, its Vice President and attested by Joseph G. Wright, III, its Secretary, attest the same, and the said Corporation, by said officers, seal said Amendment to the Master Deed, and, as its act and deed, deliver the same, and that (s) he with Gloria H. Porter witnessed the execution thereof.

Maria H. Porter
Notary Public for South Carolina

Patricia B. Durham

My Commission Expires: November 22, 1982

SWORN to before me this

15th day of January,

A. D. 1974

HALF SIDE (M'2)

R:8

R:8

SCHEDULE I

<u>Number</u>	<u>Unit Designation</u>	<u>Price</u>	<u>Total of Units Price</u>	<u>Total Percentage Interest</u>	<u>Yearly Assessment in \$4,000 annual Charge</u>
1) 3	IA, IIB, IIC	\$47,750	\$143,250	21.8126	\$290.83
2) 1	IB	\$52,300	\$ 52,300	7.9637	\$318.55
3) 4	IC, ID, IIA, IID	\$58,600	\$234,400	35.6920	\$356.92
4) 2	IIIA, IIID	\$54,390	\$108,780	16.5639	\$331.28
5) 2	IIIB, IIIC	\$59,000	<u>\$118,000</u> \$656,730	<u>17.9678</u> 100.0000	\$359.36

SCHEDULE II

<u>Number</u>	<u>Unit Designation</u>	<u>Price</u>	<u>Total of Units Price</u>	<u>Total Percentage Interest</u>	<u>Yearly Assessment in \$4,500 annual Charge</u>
1) 3	IA, IIB, IIC	\$47,750	\$143,250	20.1444	\$302.17
2) 1	IB	\$52,300	\$ 52,300	7.3546	\$330.96
3) 4	IC, ID, IIA, IID	\$58,600	\$234,400	32.9620	\$370.82
4) 3	IIIA, IIID, IVA	\$54,390	\$163,170	22.9455	\$344.18
5) 2	IIIB, IIIC	\$59,000	<u>\$118,000</u> \$711,120	<u>16.5936</u> 100.0001	\$373.36

FILED FOR RECORDS
ANDERSON, S. C.
JUN 23 4 52 PM '74

Rec. Jan. 23, 1974 at 4:52 AM

A. J. Burdette, ceep