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STATE OF SOUTH CAROLINA) DECLARATION OF COVENANTS,
) CONDITIONS, RESTRICTIONS,
) RESERVATIONS, GRANTS AND
 COUNTY OF SPARTANBURG) EASEMENTS

This Declaration made this 20th day of July, 1984 by Woodburn Club Associates, a limited partnership duly organized and existing under and by virtue of the laws of the State of South Carolina, (hereinafter referred to as "Declarant").

W I T N E S S E T H :

WHEREAS, Declarant is the owner of the real property legally described in Section 2.01 of Article II of this Declaration, (hereinafter referred to as the Property); and

WHEREAS, Declarant is desirous of immediately subjecting the Property described in Section 2.01 to the covenants, conditions, restrictions, reservations, grants and easements hereinafter set forth, each and all of which is and are for the benefit of said Property, and each owner thereof, and shall inure to the benefit of and pass with said Property and each and every parcel thereof;

NOW THEREFORE, Declarant hereby declares that the Property described in and referred to in Section 2.01 of Article II hereof is, and shall be, held, transferred, conveyed, sold and occupied subject to the covenants, conditions, restrictions, reservations grants and easements (sometimes hereinafter referred to collectively as "Covenants") hereinafter set forth.

ARTICLE I

General Purposes of This Declaration

Declarant contemplates construction on the Property of approximately thirty six (36) townhouses. The townhouses, together with the individual lots upon which they are situated (hereinafter referred to as "Residential Units"), will be sold to individual purchasers (hereinafter referred to as "Residential Owners") for use as their residences. The Property is hereby subjected to the Covenants hereby declared, to insure proper use and appropriate development and improvement of every part thereof; to protect the owner of each individual lot against improper use of any of the other lots which may depreciate the

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value of this Property; to guard against the erection on any of the lots of buildings built of improper or unsuitable materials; to insure adequate and reasonable development of said Property; to encourage the erection of attractive improvements thereon, with appropriate locations thereof; to prevent haphazard and inharmonious improvements; to secure and maintain proper setbacks from streets, and adequate free spaces between structures; to insure desired high standards of maintenance and operation of community facilities and services for the benefit and convenience of all owners of Property and all residents and in general to provide adequately for a residential subdivision of the highest quality and character.

ARTICLE II

Property Subject to This Declaration

2.01 The Property which is by this Declaration declared to be held, transferred, sold, conveyed and occupied subject to the Covenants is located in the County of Spartanburg, State of South Carolina, and is more particularly described in Exhibit "A", attached hereto and made a part hereof. Declarant shall prepare or cause to be prepared plats of the property from time to time on which portions of the property to be developed into individual Residential Units and that portion to be developed as streets, utility company rights-of-way, easements and commons shall be designated.

2.02 The Declarant is the owner of additional property adjacent to the property described in Section 2.01 and more fully described in Exhibit B hereto and hereinafter referred to as Phase II. Declarant may, at its sole discretion, from time to time hereafter add all or portions of Phase II to the Property covered by this Declaration and improve same with Residential Units, utility company rights-of-way and streets and may dedicate portions thereof to the State of South Carolina or any political subdivision thereof. Declarant is not obligated in any manner pursuant to this Declaration to annex or subject any portion of said Phase II to this Declaration, and said decision shall be at its sole discretion.

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2.03 The Declarant may acquire additional property adjacent to the property described in Section 2.01 and 2.02 hereinafter referred to as Phase III. Declarant may, at its sole option, from time to time, hereafter add all or portions of Phase III to the property covered by this Declaration and improve same with Residential Units, utility company rights-of-way and streets and may dedicate portions thereof to the State of South Carolina or any political subdivision thereof. Declarant is not obligated in any manner pursuant to this Declaration to annex or subject any portion of said Phase III, if acquired by Declarant, to this Declaration and said decision shall be at its sole discretion. Provided, however, that if Declarant does not acquire any property adjacent to the property described in 2.01 and/or 2.02 on or before January 1, 1988, Declarant's option to incorporate said additional property under these restrictions shall expire unless the written permission of a majority of the then Residential Owners is first obtained.

2.04 In the event Declarant elects from time to time to annex and subject all or any portion of Phase II and/or Phase III to the provisions of this Declaration, Declarant shall record a Supplementary Declaration(s), which shall contain but not be limited to the following:

(a) The legal description of the Property which is to become subject to this Declaration;

(b) A delineation of the Property, indicating that portion of the Property, which is to be improved with Residential Units and that portion which is to be improved with streets, utility company rights-of-way, easements and commons.

Upon compliance with this paragraph all Supplementary Declarations and the Property covered therein shall be subject to the following terms and conditions:

(a) The rights, easements, covenants, restrictions, burdens, uses and privileges set forth and described herein shall run with and bind the land of such additional portions of the Property or such other real estate and inure to the benefit of and be the personal obligation of the Owners of Residential Units thereon in

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the same manner, to the same extent and with the same force and effect that this Declaration applies to the Property previously subjected hereto;

(b) Every person or entity who is an Owner of any Residential Unit shall be a member of the Association on the same terms and subject to the same qualifications and limitations as those members who are then Owners of Residential Units;

(c) In all other respects, all of the provisions of this Declaration shall include and apply to the portions of the Property included in any such Supplementary Declaration including any Residential Units situated therein, and the owners, mortgagees and lessees thereof, with equal meaning and of like force and effect.

2.05 It is contemplated that, and at Declarant's discretion, Phase II, as described in Exhibit B hereto and Phase III as it may be constituted shall be resubdivided prior to further development, for the purpose of designating the particular lots and blocks for construction of Residential Units, and also designating those additional portions of the Property which shall be dedicated to public authority, and this Declaration shall apply to the Residential Units in the same manner as the property initially subject to same.

ARTICLE III

Provisions Relating to the Residential Units

3.01 Those portions of the Property shown and described on the Plat as Residential Units are hereby declared to be subject to the Covenants, set forth in this Declaration, to be and remain in effect until such time as amended, modified or revoked in accordance with the provisions of this Declaration.

3.02 From and after the completion of the construction of each Residential Unit and the delivery thereof to its initial Residential Owner, there shall be no alterations, changes, additions unless approved by the Association, or deletions to or from said Residential Unit of any nature which will be visible from the exterior of the Residential Unit or which will, or may, adversely affect any other Residential Unit, as, for example,

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impairment of strength of any foundation, increase of sound transmission between units, or otherwise.

3.03 There shall be no change in any exterior color of any Residential Unit from the color scheme then in effect throughout the Property, except in connection with a general change in such color scheme under the direction or with the approval of the Association.

3.04 No alteration, change, addition or deletions to or from a Residential Unit as specified in Section 3.02 above shall be commenced 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 by the Association so as to preserve harmony of exterior design and location in relation to surrounding structures and topography. The Residential Owner shall bear the burden of proof that plans have been submitted to the Association. In the event plans have not been approved or disapproved in writing by the Association within sixty (60) days after said plans have been submitted to it the plans shall be deemed to have been approved.

The Association shall have the right, at their election, to enter upon any lot during construction, erection, or installation of improvements or alterations to inspect the work being undertaken in order to determine that such work is being performed in conformity with approved plans and specifications and in a good and workmanlike manner, utilizing approved methods and good quality materials.

3.05 From and after the completion of the construction of each Residential Unit and the delivery thereof to its initial Residential Owner, no trade or business shall be carried on within any Residential Unit and no signs shall be placed on or within any Residential Unit (other than designations, in such styles and materials as the Association shall by regulation approve, of street addresses and names of Residential Owners) except that Residential Owners desiring to offer Residential Units for rent or sale have the right to place upon the Residential Unit concerned such "for rent" or "for sale" signs as

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the Association may approve provided however, that nothing herein shall prevent Declarant from using any unit as a model or sales office even though not owned by Declarant or from using such other signs as Declarant may deem appropriate in the development of the Property or Phases II and III.

3.06 No domestic or other animals of any kind shall be kept or maintained within any Residential Unit, except for such birds, dogs, cats, ornamental fish and other household pets as may be permitted by regulations adopted by the Association from time to time. In any event all pets, while outside a Residential Unit, shall be kept on a leash or other proper restraint, and shall at all times while outside be accompanied by the Owner or the Owner's agent.

3.07 Laundry, bedding and the like shall not be hung out to dry in any position in which it is visible from the exterior of any Residential Unit. No vehicles, bicycles, carriages or other articles shall be without the Residential Units except when in use and except for automobiles parked in areas designated therefor.

3.08 Exterior television antennae and other electronic equipment shall be permitted only to the extent permitted by regulations adopted by the Association from time to time, it being expressly understood that the Association is hereby granted and shall have power to entirely prohibit the installation or continuation thereof, if the Association shall provide for master television antennae, cable television, or other equipment for the use of the owners of the Residential Units in lieu of any such prohibited equipment.

3.09 No noxious or offensive activity shall be carried on upon any Residential Unit, nor shall anything be done thereon which may be or become an annoyance or nuisance as determined by the Association.

3.10 No trailer, boat, tent or shack may be erected or placed on any Residential Unit or street whether temporary or permanent.

3.11 No healthy living trees over four (4) feet tall shall

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be cut or removed from any Residential lot without the approval of the Association.

3.12 Each Residential Unit is hereby declared to be subject to an easement and right to, and in favor of the Association and each and all of its employees, agents and instrumentalities to go upon such Residential Unit for reasonable inspection thereof from time to time and for the purpose of carrying out any and all of the obligations and functions with respect to such Residential Unit as are herein imposed upon or permitted to the Association, expressly including, without limitation, the maintenance, repair and replacement of any and all of the facilities for the supply of utilities and other facilities, apparatus and equipment serving said Residential Unit and/or other Residential Units. Each Residential Unit is further declared to be subject to an easement in favor of any adjoining Residential Unit to the extent necessary to permit the maintenance, supply, repair, and servicing of utility services to the various Residential Units, and the repair or reconstruction thereof in the event of damage or destruction.

ARTICLE IV

Formation of Association

4.01 In order to carry out the intents and purposes hereof, a South Carolina non-profit corporation (hereinabove and hereinafter referred to as the "Association") will be formed and conducted as hereinafter set forth, for the benefit of the Residential Owners and to be known as Woodburn Club Property Owner's Association, Inc. The Association will be formed by Declarant at such time as shall be deemed appropriate by it not later than the time at which all of the Residential Units shall have been sold to Residential Owners, and if Declarant shall fail so to do by such time, then the Association may be formed at any time thereafter by action of any one or more of the Residential Owners. Regardless of when or by whom formed, the Association and its Articles of Incorporation and By-Laws shall conform to the provisions of this Article IV.

4.02 The record Owner, or Owners collectively, (including

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contract sellers) of a fee simple title to any Residential Unit shall be a member of the Association, and shall be entitled to cast upon all matters upon which the members shall be entitled to vote, one vote for each Residential Unit, provided however that the Declarant or its agent shall be entitled to three (3) votes for each such Residential Unit owned by it instead of one vote. Upon sale or other transfer of any ownership interest in any Residential Unit, the ownership of the membership in such Residential Unit, the ownership of the membership in the Association and the said power to vote shall be deemed for all purposes as having been transferred to the person or other entity having acquired such ownership interest in proportion thereto. Each Residential Owner shall in advance of a meeting of the members of the Association, designate in writing, the particular individual who shall have the right to cast the vote in behalf of such Residential Unit.

4.03 The property shall be subdivided into no fewer than thirty six (36) individual units. For purposes of this Declaration the Declarant is deemed to be the owner of all thirty six (36) Residential Units as of the recordation hereof. The number of units owned by Declarant shall be increased in the event that the property is ultimately subdivided into more than thirty six (36) Residential Units. The number of Residential Units owned by Declarant shall be reduced by one for each Residential Unit conveyed to each individual Residential Owner. In the event that all or portions of Phase II and/or Phase III are incorporated hereunder as provided in Article 2.02 through 2.05, inclusive, Declarant shall indicate upon the recorded supplemental declaration(s) specified in 2.04 the approximate number of residential units which will form the addition. As of the date of the recordation of the supplemental declarations the Declarant shall be deemed to be the owner of the number of residential units stated in said supplemental declaration.

4.04 The provisions of Section 4.02 hereof shall be mandatory. No owner of any interest in any Residential Unit shall have any right or power to disclaim, terminate or withdraw

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from his membership in the Association or any of his obligations as such member, and no purported disclaimer, termination or withdrawal thereof or therefrom on the part of any such owner shall be of any force or effect for any purpose.

4.05 The purpose of the Association shall be to perform all the functions provided in this Declaration to be performed by the Association and the Association shall have and possess all such powers as shall be necessary or appropriate for the accomplishment thereof.

4.06 The Association shall have a board of not less than five Directors who shall be elected by the members of the Association at such intervals as the corporate charter and By-Laws of the Association shall provide, except that vacancies in said Board occurring between regularly scheduled meetings of the members may be filled by the Board of Directors if so provided by the corporate charter or By-Laws. The Association shall have such officers as shall be appropriate from time to time, who shall be elected by the Board of Directors and who shall manage and conduct the affairs of the Association under the direction of the Board of Directors. Except as expressly otherwise provided by the charter or By-Laws, all power and authority to act on behalf of the Association both pursuant to this Declaration and otherwise shall be vested in its Board of Directors from time to time and its officers under the direction of said Board, and shall not be subject to any requirement or approval on the part of its members.

4.07 The making of changes or amendments in this Declaration or in the covenants, conditions, restrictions, reservations, grants and easements herein set forth, and the amendment, modification and revocation thereof, all pursuant to the powers so to do granted or reserved to the Association in and by this Declaration, shall be done by the Association only upon recommendation of its Board of Directors with the approval by affirmative vote of not less than two-thirds (2/3) of the members entitled to be cast upon such matter. Provided however, that no such amendments, modifications or revocations shall be

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effective without the written approval of Declarant until Declarant has divested itself of ownership of all property in Phase I, Phase II and Phase III of this Declaration or January 1, 1987, whichever occurs first. Provided further, that supplemental Declarations of the type as contemplated in Article II, Section 2.04 may be made by Declarant without recommendation of the Board of Directors or any vote of the Association.

4.08 The Association shall not distribute to its members any sums in the nature of dividends upon its shares. To the extent that funds shall not be required for current expenditures or for such reserves, the next annual assessment may, in the discretion of the Board, be eliminated or the amount thereof appropriately reduced. Such reduction shall not prevent reinstatement of or increase in such assessments when required, but such reinstatement or increase shall not be retroactive.

4.09 Whenever possible, the Association shall perform its functions and carry out its duties by entering into agreements for the performance thereof with such persons and business entities regularly engaged in the performance of generally similar functions and duties as the Board of Directors shall determine, which agreements shall be for such length of time, at such rates of compensation and upon such other terms and provisions as the Board of Directors shall determine from time to time. Such persons or business entities may, but need not, be persons or business entities owning or otherwise directly or indirectly interested in the Property or any part thereof. The Association itself shall also have power to perform its functions and carry out its duties, but shall do so only to the extent and so long as the performance pursuant to agreements as aforesaid shall not be reasonably feasible.

4.10 The Declarant may, at Declarant's option, specify certain portions of the property or Phase II or Phase III to remain as open or green spaces (hereinafter referred to as Commons). If Declarant makes said election the Association shall take legal title to said commons (subject only to current year taxes and ordinary utility company easements or rights-of-way)

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and perform all maintenance on same. In any event, the Association shall not be required to receive title until such time as it has been incorporated as a South Carolina corporation and its charter issued by the Secretary of State of South Carolina.

ARTICLE V

ASSESSMENT FOR COMMON EXPENSES

5.01 Declarant, as initial owner of each Residential Unit now existing or to exist by way of subdivision of Phase II and/or Phase III, hereby imposes upon each Residential Unit an obligation to pay annual or special assessments from time to time as assessed by the Board. Each subsequent Owner of any lot by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, covenants and agrees to pay to the Association: (1) annual assessment or charges, and (2) special assessment for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs, and reasonable attorneys' fees, shall be a charge on the Residential Unit and the Owner thereof from time to time. Said lien shall be subordinate only to (1) ad valorem tax liens on the lot and improvements in favor of any governmental assessing unit, and (2) a first mortgage encumbering the Residential Unit. Upon receipt of sufficient consideration, the Association may, but is not obligated to, execute documents to effect a further subordination of such lien at the request of the Owner. Provided, however, that the further subordination of such lien shall not be unreasonably withheld by the Association if, at the time of an Owner's request for further subordination, (1) the Owner's payment history of the assessment created by this Section 6.01 is satisfactory to the Association in its sole discretion; and (2) the payment by the Owner of all assessments created hereby is current. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of the Residential Unit at the time when the assessment fell due and the joint and

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several obligation of such owner and his successors in title except a purchaser at a foreclosure sale, in which event, the delinquent assessments shall be paid equally by the remaining Residential Owners to the extent they are uncollectible from the prior Owner or Owners. The Association shall promptly provide any Residential Owner, upon written request, a written statement of all unpaid sums assessed or imposed upon such Residential Owner pursuant to this Declaration. Any bona fide purchaser or mortgagee relying upon such a statement shall not be liable for, nor shall the Residential Unit involved be subject to a lien for, any amount in excess of that contained in the statement; provided, however, a Residential Owner owing an amount in excess of that so stated shall not thereby be relieved of the obligation to pay the same.

5.02 The assessments levied by the Association shall be used exclusively to promote the health, safety and welfare of the Residential Owners; the administration, acquisition, improvement, management, maintenance and care of properties, services and facilities devoted to that purpose, including but not limited to, the cost of utilities, street lights, entrance sign lights, repairs, replacements, additions, the cost of labor, equipment, materials, management, and maintenance of all items to be maintained by the Association; the payment of any taxes assessed against any property owned by the Association; the payment of charges for garbage service, water, and sewer services rendered to the Common Area (if any); the employment of attorneys to represent the Association when necessary, and such other needs as may arise.

5.03 For the first calendar year or portion thereof the annual assessment shall be Twenty Five Dollars (\$25.00) per Residential Unit and may be increased by the Board each year up to ten percent (10%) of the previous year's assessment or Five Dollars (\$5.00), which ever is greater without approval of the Owners. Provided, however, that the maximum annual assessment may be increased more than the greater of ten percent (10%) above the assessment of the previous year or Five and No/100 Dollars

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(\$5.00) for the purpose of obtaining a Blanket insurance policy on the property if an election to obtain such a policy or policies is made by the Board of Directors as provided in Section 6.08 herein. Provided however, that the maximum annual assessment may be increased more than the greater of ten percent (10%) above the assessment of the previous year or Five Dollars (\$5.00) by a vote in favor of such an increase by two thirds (2/3) of the members of the Association. The Board shall each year prepare or cause to be prepared, an annual budget showing the services furnished by the Association, the costs therefore, and revenues and their source.

5.04 In addition to the annual assessments authorized above, the Board may levy, in any calendar year, a special assessment applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the property, or the repair or maintenance (not necessitated by casualty loss) of other items to be maintained by the Association including fixtures and personal property related thereto, ~~provided that~~ any such assessment shall have the assent of two thirds (2/3) of the Residential Unit Owners' votes cast in person or by proxy at the meeting duly called for this purpose.

5.05 Written notice of any meeting called for the purpose of taking any action authorized under Section 5.03 or 5.04 shall be sent to all Owners not less than ten (10) days nor more than fifty (50) days in advance of the meeting. At such meeting called, the presence of Owners or of proxies entitled to cast two thirds (2/3) of all the votes shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the preceding meeting.

5.06 Except as hereinafter provided in Section 5.07, all annual assessments shall be fixed at a uniform rate for all Residential Units and shall be collected on an annual basis or any other basis approved by the Board of Directors.

5.07 Declarant is the initial Owner of each Residential

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Unit and as such shall be entitled to exercise all rights, and shall be burdened with all obligations, of an Owner appurtenant thereto, until such time as Declarant has conveyed title to such Residential Unit to another person. It is anticipated that Residential Units owned by the Declarant for sale to subsequent purchasers will not be furnished all of the services available to Residential Units which have been acquired by other Owners. Residential Units owned by the Declarant shall, at the option of Declarant, be exempt from the payment of assessments until January 1, 1987. Such exemption shall not affect the voting rights of the Declarant as a Residential Unit Owner as provided in Article IV. Section 4.02 hereof.

5.08 The full annual assessment provided for herein shall commence as to any Residential Unit on the day of the completion and sale of a Residential Unit to its first Residential Owner and such payments shall continue on an annual basis unless abated by the Board as provided in Section 4.08. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year and the number of days remaining in the month of closing. The Annual assessments shall be due and payable within 30 days after completion of the Residential Unit and thereafter on January 1 of each following year.

5.09 Any annual assessment not paid within forty five (45) days after the due date shall be increased to include a penalty of One Dollars (\$1.00) per day from the due date. The Association may bring an action at law against the Owner personally or jointly and severally obligated to pay the same or foreclose the lien created herein securing the obligation to pay assessments in the same manner and in all respects as though secured by a recorded mortgage as provided by the laws of the State of South Carolina. Penalties, costs and reasonable attorney's fees of such action or foreclosure shall be added to the amount of such assessment. In addition, all annual or special assessments from the date of default until completion of such foreclosure action shall accrue during the pendency of such action and shall be included in the amount due the Association at

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the end of the proceeding. No Owner may waive or otherwise escape liability for the assessments provided for herein by abandonment of his Residential Unit, or vote against any assessment or increase in assessment.

5.10 The Association shall have, and is hereby given, power to require full payment of all sums then due it from any Residential Owner as a condition precedent to the transfer of any interest in the Residential Unit owned by such Residential Owner.

5.11 Two months assessment for each Residential Unit shall be required as a Reserve fund for contingencies of the Association. Each Residential Unit's share of the Reserve fund must be collected and transferred to the Association at the time of closing of the sale of each Residential Unit and maintained in an account for the use and benefit of the Association. The purpose of the fund is to insure that the Association will have cash available to meet unforeseen expenditures and replace depreciated capital improvements. Amounts paid into the fund are not to be considered as advanced payment of regular assessments.

ARTICLE VI

Repair, Restoration and Rebuilding, Insurance

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

6.02 All repair, restoration or rebuilding pursuant to the

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provisions of this Article VI shall be carried out under such supervision and direction as the Board of Directors of the Association shall deem appropriate in order to assure the expeditious and correct completion of the work concerned, and the owner or owners of each Residential Unit which shall have been damaged or destroyed shall fully cooperate with, and abide by all instructions and directions of the Association in connection therewith.

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

6.04 In any case in which the owner or owners of the Residential Unit concerned shall fail to carry out and see to the repair, restoration or rebuilding required by the provisions of this Article VI, or shall request the Association to carry out and see to such repair, restoration or rebuilding, and, in any case, where more than one contiguous Residential Unit shall be involved, the Association shall carry out and see to the repair, restoration or rebuilding required by the provisions of this Article VI, provided, however, that to the extent the insurance proceeds referred to in Section 6.05 are insufficient as to any Residential Unit, the particular Residential Owner shall be responsible to the Association for such deficiency, and the Association shall have, and is hereby given, a continuing lien on the Residential Unit for which any such repairs or rebuilding are furnished by the Association in the aggregate amount of (a) the

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cost thereof, (b) interest at the highest rate permitted by law, but not exceeding fifteen (15%) per cent per annum nor less than eight (8%) per cent per annum from the date of the Association's payment of such costs, and (c) reasonable attorney's fees and any court or other costs incurred by the Association in connection therewith, which lien shall bind such Residential Unit in the hands of such owner, his heirs, devisees, personal representatives, grantees and assigns. In the event such owner does not forthwith fully repay the Association therefor, as aforesaid, such lien may be foreclosed against the Residential Unit by the Association, in the same manner as hereinafter provided in connection with unpaid assessments. The Association's lien in this Section 6.04 provided for shall be subordinate to the lien of any first mortgage made by an institution customarily making first mortgage loans on residences in Spartanburg County, South Carolina, now or hereafter placed upon the Residential Unit.

6.05 Each Residential Owner shall maintain in full force at all times insurance covering the Residential Unit owned by him consisting of, or providing all the protections afforded by, the insurance now generally described as fire, extended coverage, additional extended coverage, vandalism and malicious mischief, to 100% of the full insurable value thereof, with loss payable on the basis of the cost of replacement without deduction for depreciation. All such insurance shall be issued by companies reasonably acceptable to the Association, shall name the Association as an additional insured and shall provide that all proceeds becoming payable on account of loss of or damage to such Residential Unit shall be payable to or as directed by the Association, subject only to the rights, limited as herein provided, of any mortgagee for value of the premises. The policies themselves or appropriate certificates showing the evidence of such insurance shall be furnished to the Association, (and new policies or certificates evidencing the renewal of each expiring policy of insurance shall be furnished to the Association), in each case at least 10 days prior to the

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expiration date of the expiring insurance. The policies or certificates shall contain a provision that prior to cancellation, the Association shall receive at least 10 days written notice thereof. In the event a damaged or destroyed Residential Unit shall not be repaired, restored, or rebuilt pursuant to a decision not to repair, restore or rebuild as provided in Section 6.01, the proceeds of such insurance shall be payable to such Residential Owner, or the mortgagee of his Residential Unit as provided in Section 6.12.

6.06 The Association and its officers, directors, employees, agents and representatives shall have no liability to any Residential Owner for damage to or loss of either the Residential Unit of such Residential Owner or any personal property of said Residential Owner. Each insurer of any of said Residential Owner's interest in said Residential unit or personal property shall be bound by the provisions of this Section 6.06 and shall, by appropriate provision in each policy of insurance concerned, waive its rights of subrogation against the Association and its officers, directors, employees, agents and representatives.

6.07 The failure by any Residential Owner to carry, maintain, or renew any insurance required by this Article VI shall give the Association the right (but not the duty) to proceed to obtain such insurance or lesser coverage as it may deem advisable, and the cost thereof shall be due to the Association from the owner of the Residential Unit so insured forthwith upon demand, and such cost shall be collectible in the same manner as assessments as described in Section 5.09.

6.08 In the event that the Association finds it possible from time to time to effect broader or better coverage without increase in aggregate cost, or equivalent coverage at lesser cost, by the obtaining of a blanket policy or policies of insurance upon all the Residential Units in the Property, the Association shall have and is hereby granted power so to do at the election of its Board of Directors, subject to the consent of the various first mortgage holders on the Residential Units; and

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each Residential Owner shall accept and pay a proportionate share of the cost of such insurance, whether by regular assessment or otherwise, in lieu of providing and paying for the individual policies of insurance hereinabove provided for.

6.09 In any case in which insurance proceeds shall not be paid or payable on account of any damage to, or destruction of, any Residential Unit, or shall be inadequate to fully cover the cost of repair, restoration or rebuilding which the Association is by the provisions of this Article VI required to carry out, the cost of such repair, restoration or rebuilding in excess of the amount of insurance proceeds available shall be borne and paid for the the Association, but without diminishing or in any way affecting any rights of recovery thereof which the Association may have by law against any person or persons who shall be directly or indirectly responsible for such damage or destruction by reason of any negligent or wrongful act or omission or against any Residential Owner for his failure to maintain insurance coverage in accordance with Section 6.05.

6.10 Notwithstanding anything to the contrary herein contained, the obligations of the Association under the provisions of this Article VI shall be limited to the restoration and repair to or for so much of the Residential Units as constitutes structural improvement upon the real estate and the Association shall not be responsible for repair, restoration or replacement of any personal property of the Residential Owners or others which, although situated in, on or about the Residential units, shall not be attached thereto so as to form an affixed part thereof.

6.11 The Association may, but shall not be required to, obtain and maintain additional insurance as its Board of Directors shall from time to time deem prudent with respect to damage to or destruction of any property which is the responsibility of the Association to maintain, or of any or all of the Residential Units, from any cause not covered by the insurance hereinabove described, and may also obtain such other kinds of insurance protection against such other matters or

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happenings as its Board of Directors shall from time to time deem prudent. Provided, the Association shall maintain legal liability insurance in such amounts as the Board of Directors shall elect and the Association shall maintain fidelity bonds on all officers and/or directors who shall have charge or control over the collection and disbursement of Association funds.

6.12 Notwithstanding the foregoing, to the extent required by the terms of any mortgage for value of any part of the Property, the proceeds of any insurance becoming payable on account of any loss of, or damage to, the part of the Property so mortgaged shall be paid first to such mortgagee to the extent of its interest; provided, however, that such mortgagee shall cause or permit all such proceeds received by it to be applied upon the cost of repair, restoration or rebuilding of such loss or damage; and shall not apply or seek to apply such proceeds to reduce such mortgage, except for any excess of such proceeds over the full costs of such repair or restoration, unless it shall be determined in accordance with the provisions of this Declaration that such loss or damage is not to be rebuilt or restored.

ARTICLE VII

Interim Procedure

7.01 Until each of the various Residential Units shall have been conveyed by the Declarant to the first Residential Owner thereof the Declarant shall, with respect to each such unsold Residential Unit, have all the rights granted to the Residential Owners including, without limitation, the right to cast upon all matters upon which the members are entitled to vote, three votes for each such Residential Unit.

7.02 Until the Association shall have been organized and shall have assumed its duties and powers, the Declarant shall have all the rights, powers, duties and obligations herein granted to, or imposed upon, the Association and shall be authorized and empowered to take all such actions as the Board of Directors of the Association would have been authorized and empowered to take if the Association had then been formed.

7.03 The powers granted to the Declarant by Section 7.02

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hereof shall include, without limitation, the power to assess upon and collect from the individual Residential Owners their respective assessments required for the carrying out of all the duties and obligations of the Association, except that the Declarant shall not obtain by means of any such assessment, reimbursement for any of the costs of the construction of any of the Residential Units or of the original improvements to or of the Commons (if any), it being the obligation of the Declarant to provide said initial construction at its cost.

ARTICLE VIII

Encroachments

8.01 In the matter of the construction and completion of each Residential Unit, certain eaves, roof overhangs, brick veneer or other wooden siding or other building materials that may be attached to the structural walls will or may encroach over onto either the air space or the real estate of the adjoining or contiguous Residential Unit. There is hereby created on each of said Residential Units so affected an easement three (3) feet in width for said encroachments or overhangs created by said construction. In addition if any such encroachment shall occur hereafter as a result of settling or shifting of improvements upon a Residential Unit a valid easement shall exist for such encroachment. In addition to the valid easements for each of said encroachments or overhangs there is also granted the right to maintain and repair the same so long as said encroachments and overhangs shall and do exist. In the further event that any Residential Unit is totally or partially destroyed and then rebuilt, the Owners of the Residential Units so affected agree that said encroachments and easements shall be permitted in the matter of the reconstruction and the right of maintenance shall continue to exist.

8.02 All of the property, including Residential Units shall be subject to a perpetual non-exclusive easement or easements in favor of all Residential Owners for their use and the use of their immediate families, guests, invitees, tenants or lessees for all proper and normal purposes and for ingress and egress and

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regress and to such easements as shown on the recorded plat of the property or for water lines, telephone and electric power lines, television antenna lines, cable television lines and other public utilities as shall be established prior to subjecting the property to this Declaration by the Declarant or its predecessors in title and for the use of the owner, their families, guests and tenants.

8.03 Every portion of a Residential Unit which contributes to the structural support of the adjoining Residential Unit shall be burdened with an easement of structural support for the benefit of all other adjoining Residential Units.

8.04 Every Residential Unit shall be subject to an easement for entry by the Association for the purpose of correcting, repairing, or alleviating any emergency condition which arises upon any lot or within any Residential Unit that endangers any adjoining Residential Unit

8.05 The Association shall maintain a perimeter fence which shall enclose or partially enclose the property. An easement is hereby granted to the Association for the maintenance, replacement and repair of said perimeter fence.

ARTICLE IX

Obligations of Residential Owners

9.01 Each Residential Owner by acceptance of his deed covenants with all other Residential Owners to keep his Residential Unit in a good state of maintenance and repair including without limitation: painting and tuck pointing thereof at such intervals as shall be prudent, repair or replace all building material on the exterior of such Residential unit as the need arises due to ordinary wear and tear, maintain and repair the grounds and landscaping of the Residential Unit.

9.02 Notwithstanding anything to the contrary in this Declaration contained, if the Association shall incur any cost or expense for or on account of any item of maintenance, repair or other matter directly or indirectly occasioned or made necessary by any wrongful or negligent act or omission of any Residential Owner or of any agent, employee or invitee of any Residential

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Owner, or failure of the Residential Owner to conform with the provisions of Section 9.01 above, such cost of expense shall not be borne by the Association but by such Residential Owner, and if paid out by the Association shall be paid or reimbursed to the Association by such Owner forthwith upon the Association's demand, and shall be collectible in the same manner as assessments. Prior to undertaking any maintenance upon any Residential Unit the Association shall provide the Residential Owner fifteen (15) days notice, as provided herein to perform the required maintenance or repair. If after fifteen (15) days notice corrective measures have not been taken by the Owner, the Association may enter the Residential Unit to perform said maintenance and collect the costs therefore as aforesaid. An easement to each Residential Unit is hereby granted to the Association to enter the Residential Unit and perform the necessary maintenance or repair.

9.03 By reason of the nature of the community herein contemplated, any violation on the part of any Residential Owner of any of the terms and conditions of this Declaration to be kept, observed or performed by him or any of the rules or regulations adopted by the Association pursuant to the authority herein granted to it so to do, will or is likely to result in damages which are irreparable or impossible to ascertain. Therefore, the Association shall have, and is hereby granted, the right to prevent any such threatened violation on the part of any Residential Owner, or the further continuation of any such violation, as the case may be, by means of injunctive proceedings, as well as by restricting or entirely suspending, for such period or periods as the Board of Directors of the Association may from time to time determine, the use by the offending person of any facility or service the use of which has been abused.

9.04 The various rights and remedies herein granted to the Association shall be in addition to all other rights and remedies which may be available and in addition to each other. All the rights and remedies available to the Association may be exercised

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either concurrently or consecutively, or partly concurrently and partly consecutively as the Association may from time to time elect, and as often as the Association may elect.

9.05 The failure of the Association to seek redress for any violation, or to enforce any term or provision of this Declaration or of any rule or regulation issued hereunder or pursuant hereto shall not be deemed a waiver of any such right of redress or enforcement, either as to any subsequent violation of a similar or other nature or as to any further continuation of any violation.

ARTICLE X

Amendments and Additional Rules

10.01 The Association shall have, and is hereby granted, the power to amend, modify and otherwise alter this Declaration and each and all of the terms and provisions hereof and each and all of the covenants, conditions, restrictions, reservations, grants and easements herein contained, at any time and from time to time, by action recommended by its Board of Directors and approved by the affirmative vote of two-thirds (2/3) of its then members subject to the limitation that such action shall not cause the Property or any part thereof to be in non-compliance with any zoning ordinance or other applicable law or governmental regulation. Provided however, that Declarant may amend, modify or revoke this Declaration at any time prior to the conveyance of a Residential Unit to the first Residential Owner. Provided further that supplemental Declarations of the type as contemplated in Article II, Section 2.04 may be made without recommendation of the Board of Directors or a vote of the Association.

10.02 Any action taken pursuant to Section 10.01 hereof shall be evidenced by an appropriate written instrument issued by the Association and shall become and be effective as of such date as shall be designated in such instrument, but not earlier than the date on which such instrument shall be filed for record in the Office of the Register of Mesne Conveyances for Spartanburg County, South Carolina.

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10.03 The Association shall have, and is hereby granted, the power to adopt, amend, modify, and otherwise alter and enforce additional rules and regulations bearing upon the use and the manner of occupancy and maintenance of the Property, including the Residential Units, or any part thereof, at any time and from time to time by action recommended by its Board of Directors, subject only to the limitations that any such action bearing upon Residential Units shall be applied uniformly to all the Residential Units, and that such action shall not cause the Property or any part thereof, to be in non-compliance with any zoning ordinance or other applicable governmental law or regulation. Provided however, that said adoption, amendment, modification or other alteration of any additional rules or regulations shall not conflict with this Declaration.

10.04 Any additional rules or regulations adopted by the Association pursuant to the authority granted to it in Section 10.03 hereof or any amendment or modification of any such additional rules or regulations shall be evidenced by an appropriate written instrument issued by the Association and shall become and be effective as of such date as shall be designated in such instrument, but not earlier than the date upon which such instrument shall be filed for record in the office of the Register of Mesne Conveyance for Spartanburg County, South Carolina if such recording shall be elected, and otherwise shall be effective as to each Residential Owner not earlier than the date upon which a full, true and complete copy of such instrument shall be transmitted to him in the manner herein provided for the service of notice upon him.

10.05 Whenever the Association shall cause any instrument to be placed of record in order to render effective any action taken pursuant to Sections 10.01 or 10.03 hereof, it shall be the duty of the Association to transmit a full, true and complete copy of such instrument to each Residential Owner promptly; provided, however, that failure so to do shall not invalidate or delay the effective date of any action effectuated by such instrument.

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ARTICLE XI

Miscellaneous

11.01 If any part of the Property including one or more Residential Units shall be taken by one or more concurrent condemnation proceedings, the entire net proceeds of such taking or takings, shall be divided equitably among, and retained by, the owners of the Residential Units wholly or partially taken in such condemnation proceedings, subject to the rights of any first mortgagee thereto.

11.02 Any notice to be given hereunder shall be deemed to have been properly served in the following manners respectively: (a) in the case of a Residential Owner, if delivered personally to him or to a member of his household of the age of more than 15 years, or when placed in the United States mail, first class and registered postage fully prepaid, addressed to him at his most recent address as shown on the records of the Association (or the Declarant prior to the organization of the Association); (b) in the case of the Declarant upon delivery to Declarant at its usual place of business in an envelope marked to refer to Declarant by name, provided that no notice shall be in any event binding upon Declarant until actually received by it; (c) in the case of the Association, upon delivery to its president, its secretary, or its registered agent in person or when placed in the United States mail, first class and registered postage fully prepaid, addressed to the Association in care of its then Registered Agent at its then Registered Office.

11.03 If any covenant, condition, restriction, reservation, grant, easement, rule or regulation contained in this Declaration, or any rule or regulation issued hereunder, shall be or be held to be invalid, the remainder of this Declaration and the remainder of such rules and regulations shall not be invalidated or terminated thereby but shall remain in full force and effect to all intents and purposes as though such invalid covenant, condition, restriction, reservation, grant, easement rule or regulation had not been included herein.

11.04 All the covenants, conditions, restrictions,

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reservations, grants, and easements, herein contained shall run with the land and shall inure to the benefit of and be binding upon Declarant and each subsequent holder of any interest in any portion of the Property and their grantees, heirs, successors, personal representatives and assigns with the same full force and effect for all purposes as though set forth at length in each and every conveyance of the Property or any part thereof.

11.05 The divisions of this Declaration into Articles, and the Article and Section numbers and headings, are for convenience only, and the validity and enforceability of any portion of this Declaration shall not be affected or called into question by reason of the position thereof in this Declaration or the captions or Article headings pertaining thereto.

11.06 Whenever the word "Declarant" or any modifying or substituted pronoun therefor is used in this Declaration, such words and respective pronouns shall be held and taken to include both the singular and the plural, the masculine, feminine and neuter gender thereof.

11.07 The covenants, conditions, restrictions, reservations, grants and easements of this Declaration shall run with the land and be binding on all parties and all persons claiming under them until the first day of July, 2004, and shall thereafter automatically be renewed for successive ten (10) year periods unless terminated or otherwise modified by 2/3 of the then Owners in the same method as provided for amendments herein.

ARTICLE XII

RIGHTS OF FIRST MORTGAGEES

12.01 The following sections, in addition to sections set forth elsewhere in this Declaration, shall be applicable to the holders of first mortgagees and other parties as may be indicated, upon the individual Residential Units subject to this Declaration and any amendments thereto.

12.02 This Declaration and other constituent documents create a fee simple townhouse community, hereinafter referred to as "Community".

12.03 Any first mortgagee who obtains title to a

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Residential Unit pursuant to the remedies provided in the mortgage or foreclosure of the mortgage will not be liable for such unit's unpaid dues or charges which accrue prior to the acquisition of title to such unit by the mortgagee.

12.04 Unless at least two-thirds (2/3) of the first mortgagees consent in writing (based upon one vote for each first mortgage owned) the Association, shall not be entitled to:

(a) by act or omission seek to abandon, partition, subdivide, encumber, sell or transfer the common property (if any) owned, directly or indirectly, by such Association, for the benefit of the Residential Units in the Community (the granting of easements for other public purposes consistent with the intended use of such common property by the Community shall not be deemed a transfer within the meaning of this clause);

(b) change the method of determining the obligations, assessments, dues or other charges which may be levied against a Residential Unit and/or Owner.

(c) by act or omission change, waive or abandon any scheme of regulations, or enforcement thereof, pertaining to the architectural design or the exterior appearance of units, the exterior maintenance of units, or the maintenance of the perimeter fence or the upkeep of lawns and plantings in the Community;

(d) use hazard insurance proceeds for losses to any Community common property (if any) for other than the repair, replacement or reconstruction of such common property (if any).

12.05 The Association is required to make available to Residential Owners and First Mortgage Holders for value, and to insurers or guarantors of any first mortgage, current copies of the Declaration, By-Laws, other rules concerning the project, and the books, records and financial statements of the Association. "Available" means available for inspection, upon request, during normal business hours or under other reasonable circumstances.

12.06 Any holder of a first mortgage is entitled, upon written request, to a financial statement for the immediately preceding fiscal year.

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12.07 Upon written request to the Association, identifying the name and address of the holder, insurer or guarantor and the Residential Unit number or address, any mortgage holder, insurer, or guarantor will be entitled to timely written notice of:

(a) Any condemnation or casualty loss that affects either a material portion of the project or the Residential Unit securing its mortgage.

(b) Any 40 day delinquency in the payment of assessments or charges owned by the owner or any lot on which it holds the mortgage.


(c) A lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association.

(d) Any proposed action that requires the consent of a specific percentage of mortgage holders.

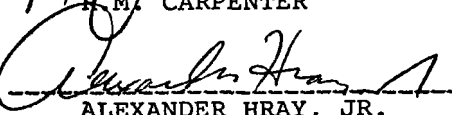
IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereunto set its hand and seal this 20th day of July _____, 1984.

IN THE PRESENCE OF:

WOODBURN CLUB ASSOCIATES, A
South Carolina Limited
Partnership



R. M. CARPENTER



ALEXANDER HRAY, JR.

By: ORGANIZATION & INVESTMENTS,
INC.
General Partner

By: 

HAROLD L. BALLENGER
Its: EXC. VICE PRESIDENT


STATE OF SOUTH CAROLINA)

COUNTY OF SPARTANBURG)

PERSONALLY APPEARED BEFORE ME R.M. CARPENTER
and made oath that (s)he saw the within named Woodburn Club Associates, a South Carolina Limited Partnership, by Organization & Investments, Inc., General Partner, by HAROLD L. BALLENGER, EXC. VICE PRESIDENT of Organization & Investments, Inc., sign, seal and as its act and deed, deliver the within Declaration of Easements, Covenants, Conditions, Rights and Restrictions, and that (s)he with ALEXANDER HRAY, JR. witnessed the execution thereof.

SWORN to before me this

20th day of July, 1984.

 (SEAL)
NOTARY PUBLIC FOR SOUTH CAROLINA

My Commission Expires: 8-4-90

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EXHIBIT "A"

PHASE I - WOODBURN CLUB

All that tract or parcel of land in the County of Spartanburg, State of South Carolina containing 3.51 acres shown upon that certain plat of James V. Gregory, RLS, for Woodburn Club, Phase I, dated July 19, 1984 (said plat being unrecorded) and described according to said plat as follows:

Commencing at an iron pin on the right of way of Country Club Road (SC Highway #47) and running thence S. 9-00 E. 556.1 feet to an iron pin in a creek [said line corresponding to (but shorter than) the eastern boundary line of that 9.60 acre tract depicted on that certain survey for Carolina Insurance and Investment Co. by Neil R. Phillips, RLS, dated April 26, 1983 and recorded in the RMC Office for Spartanburg County on December 5, 1983 in Plat Book 90, page 620.]; thence with said creek, (creek being the line) S. 83-28 W. 39.18 feet to an iron pin; thence N. 79-20 W. 67.68 feet to an iron pin; thence N. 29-29 W. 91.9 feet to an iron pin; thence N. 34-05 W. 21.23 feet to an iron pin; thence S. 72-24 W. 20.8 feet to an iron pin; thence S. 61-10 W. 80.0 feet to an iron pin; thence N. 60-47 W. 33.4 feet to an iron pin; thence S. 81-22 W. 70.48 feet to an iron pin; thence turning and leaving said creek N. 7-26 W. 181.1 feet to an iron pin; thence N. 2-00 W. 129.45 feet to an iron pin on the edge of Woodburn Club Lane, (said line corresponding with the westerly boundary line of Lot No. 25 as shown on that certain plat of Woodburn Club, Phase I-A by James V. Gregory, RLS, dated July 11, 1984 and recorded herewith in the RMC Office for Spartanburg County); thence crossing Woodburn Club Lane N. 46-49 E. 43.46 feet to an iron pin; thence N. 3-52 W. 115.00 feet to an iron pin on Country Club Road; thence with Country Club Road, (SC Highway #47) N. 83-45 E. 270 feet to the iron pin, the point of beginning.

This being a portion of that tract conveyed to Woodburn Club Associates by Carolina Insurance and Investment Company dated December 5, 1983 and recorded December 5, 1983 in Deed Book 50A, page 746, RMC Office for Spartanburg County.

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EXHIBIT "B"

PHASE II - WOODBURN CLUB

All that tract or parcel of land in the County of Spartanburg, State of South Carolina and described in that certain Deed of Carolina Insurance and Investment Company to Woodburn Club Associates, dated December 5, 1983 and recorded December 5, 1983 in Deed Book 50A, page 746, RMC Office for Spartanburg County and being more fully shown and depicted on that certain plat of Carolina Insurance and Investment Company by Neil R. Phillips, PLS, dated April 26, 1983 and recorded December 5, 1983 in Plat Book 90, page 620, RMC Office for Spartanburg County.

LESS AND EXCEPT all that tract or parcel of land described in Exhibit "A" hereto, as Phase I.

This being a portion of that tract conveyed to Woodburn Club Associates by Carolina Insurance and Investment Company dated December 5, 1983 and recorded December 5, 1983 in Deed Book 50A, page 746, RMC Office for Spartanburg County.

REVALUED AND GOVERNMENT RECORDS
B.O. BOX 2908
WILKESBORO, NC 28696
KIND & COURTESY