

ROYAL OAK

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RECORDED

STATE OF SOUTH CAROLINA
COUNTY OF SPARTANBURG
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
SPARTANBURG, S.C.

WHEREAS, the undersigned Don A. Wade is the owner of a parcel of property located generally near the inte section of Reidville Road and Anderson Mill Road in Spartanburg County, South Carolina, and

WHEREAS, the undersigned is presently constructing town houses upon said parcel of property to be known as Royal Oaks Towne Houses, and

WHEREAS, it is anticipated that as each building is completed and made ready for sale that such building will be placed under the control of the Royal Oaks Towne House Owners Association, Inc. for the purposes outlined in this document, and

WHEREAS, from time to time, additional unimproved land may be added by the undersigned to Royal Oaks Towne House Owners Association, Inc., and

WHEREAS, it is intended that from time to time declarations subjecting said unit will be filed with reference to this document, and that at said time, such building shall be subject to the items set forth in this document.

NOW, THEREFORE, for and in consideration of the premises recited and the sum of Three (\$3.00) Dollars, the undersigned does hereby make the following declarations:

ARTICLE I DEFINITIONS

Section 1. "Association" shall mean and refer to Royal Oaks Towne House Owners Association, Inc., its successors and assign.

Section 2. "Board" shall mean and refer to the Board of Directors of the Association.

Section 3. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any lot which is a part of the properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 4. "Properties" shall mean and refer to that certain real property hereinbefore described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 5. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the owners.

Section 6. "Lot" shall mean and refer to any numbered plot of land shown upon any recorded subdivision map of the properties, together with the improvements thereon.

Section 7. "Parcel" shall mean and refer to any reserved or undesignated plot of land shown upon any recorded subdivision map of the properties.

Section 8. "Unit" shall mean and refer to the structural improvements erected upon a lot.

Section 9. "Items to be maintained by the Owner" shall mean and refer to all improvements constructed on a lot including, but not limited to, foundations, main walls, exterior and interior walls, load bearing walls, roofs, halls, stairways, entrance and exit or communication ways, sidewalks, steps, compartments for and/or installations of services such as power, light, gas, cold and hot

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water, refrigeration, reservoirs, water tanks and pumps, common telephone, television and/or cable television, sewer and/or irrigation lines and equipment and/or heating and trash disposal facilities, balconies, patios, all materials studs, sheetrock, plywood, brick, floors and ceilings attached to a unit; all doors, windows, screens, fans and vents; all air-handling units, condensers, ducts and components, and all water, power, telephone, television and cable television, electricity, plumbing, gas and sewage lines located on a lot or unit.

Section 10. "Declarant" shall mean and refer to Don A. Wade or any person who succeeds to the title of declarant to the properties either by sale or assignment of all of the interest of the declarant in the properties or by exercise of a right of foreclosure of a mortgage given by the declarant and duly recorded subsequent to the recordation of this Declaration. Any such person shall be burdened by all obligations and entitled to exercise all rights and powers conferred upon declarant by this Declaration, the Articles of Incorporation or By-Laws of the Association. Provided, however, "Declarant" shall not include the grantee of a deed taken in lieu of foreclosure of a mortgage(s) senior in position to this Declaration or the purchaser at a sale upon foreclosure of such a mortgage(s). Such person shall take free and clear of any obligation imposed upon declarant by this Declaration, and at the occurrence of either or both events shall act to release declarant from all obligations imposed upon it by this Declaration.

Section 11. "Casualty Loss" shall mean and refer to any loss resulting from fire, vandalism, malicious mischief, windstorm, flood, other casualty, or any other loss whatsoever which may be insured against and the negligence of any owner causing damage to his unit.

Section 12. "Conversion Date" shall mean and refer to the date Class B membership in the Association shall cease as defined in Section 2 of Article III below.

ARTICLE II PROPERTY RIGHTS

Section 1. Common Area. The common area shall be conveyed to the Association subject to all liens, restrictions and encumbrances of record including future taxes and assessments. Any additional common area which may result from parcel subdivision as provided in Section 5 of Article VII shall be conveyed to the Association. Prior to parcel subdivision, the declarant may from time to time designate certain portions of parcels as additional common area, which portions will be conveyed to the Association.

Section 2. Owners' Easement and License. Prior and subsequent to the conveyance of the common area to the Association, every owner, his heirs, successors and assigns shall have (1) an easement for ingress and egress to his lot and assigned parking spaces, if any, over the roads in the common area, which easement shall be appurtenant to the lot, and (2) a license in, to, over and through the common area for the use of the common area and all improvements thereon, which license shall be subject only to the following restrictions:

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(a) The right of the Association to charge reasonable fees for the use of any recreational facility situated upon the common area;

(b) the right of the Association to suspend any owner's license to use the recreational facilities for any period during which any assessment against his lot remains unpaid, and for a period not to exceed sixty (60) days, for an infraction of its published rules and regulations after notice and hearing before the board;

(c) the right of the declarant, so long as he owns a lot or lots, to place promotional signs and literature in the common area;

(d) the right of the declarant to construct or have constructed improvements on other lots; and,

(e) automatic transfer of such license to a subsequent purchaser or transferee upon the sale or transfer of the lot.

Section 4. Delegation of Use. After prior written notice to the board of names of proposed delegates, any owner may reasonably delegate, in accordance with the Association By-Laws, his rights or enjoyment of the common area and facilities to the members of his family residing on his lot, his guest, his tenants, or contract purchasers who reside on the property.

Section 5. Parking. Ownership of each lot shall entitle the owner or owners thereof to the reasonable use of automobile parking spaces, which shall be adjacent to said lot, together with the right of ingress and egress in and upon said parking area. Said driveway and/or parking spaces shall be maintained by owner.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

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

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

(a) Class A. Class A member shall be all owners with the exception of the declarant and shall be entitled to one vote for each lot owned, provided, however, that when Class B membership shall cease as provided in subsection (b) below, the declarant shall become a Class A member and shall be then entitled to one vote for each lot owned. When more than one person holds an interest in any lot, all such persons shall be members, and the vote for such lot shall be exercised or divided as they, among themselves, determine, or equally among them if they cannot agree. In no event shall more than one vote be cast with respect to any lot. The Association shall have the right to suspend the voting rights of any Class A member for any period during which any assessment against his lot remains unpaid.

(b) Class B. The Class B member shall be the declarant and shall be entitled to a majority of the votes. The Class B membership shall cease at such time as declarant may voluntarily elect to terminate his Class B membership and ownership. Declarant shall then be entitled to execute one vote for each

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lot owned by the declarant. If declarant shall no longer own a lot or a parcel, then Class B membership shall cease. Such event shall be deemed the "Conversion Date".

ARTICLE IV

ASSESSMENT FOR COMMON EXPENSES

Section 1.

Creation of the Lien and Personal Obligation of Assessments.

Declarant, as initial owner of each lot now existing or to exist by way of subdivision of a parcel or parcels, hereby imposes upon each lot an obligation to pay 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 (A) to pay to the Association: (1) assessment or charges, and (2) special assessment for capital improvements, such assessments to be established and collected as hereinafter provided; and (B) to be bound by the obligations imposed upon the initial grantee of a lot from declarant by the Contract, Easement and Subordination of Mortgage executed by such initial grantee; and (C) to assume and be bound by the obligations imposed upon the lot and the initial grantee from declarant by the mortgage securing said contract which mortgage was executed in favor of the Association by the initial grantee; and (D) upon the request of the Association to execute a similar contract and mortgage upon the release of the previously existing contract and mortgage by the Association. The Association shall release an owner from all obligations created by the contract and the mortgage only if (1) the owner's grantee expressly assumes the obligations of the owner under the contract and the mortgage, or (2) the owner's grantee executes a new and similar contract and mortgage creating and securing those obligations, and (3) all assessments owned by the owner have been paid at the time of such release. The assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the lot and the owner thereof from time to time and shall be secured by a mortgage on the lot against which each such assessment is made. Said mortgage shall be subordinate only to (1) tax liens on the lot and improvements in favor of any assessing unit, and (2) a mortgage associated with the purchase that shall encumber the lot. Upon receipt of sufficient consideration, the Association may, but is not obligated to, execute documents to effect a further subordination of such mortgage at the request of the owner. Provided, however, that the further subordination of such mortgage 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 1 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 such property at the time when the assessment fell due and the joint and 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 owners to the extent they are uncollectible from

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the prior owner or owners. Any prospective purchaser shall have the right to obtain from the board a statement of delinquent assessments on a lot, which statement shall be conclusive for all purposes.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the health, safety and welfare of the residents of the properties; the administration, acquisition, improvement, management, maintenance and care of properties, services and facilities devoted to that purpose or for the use and enjoyment of the common area, including but not limited to, the cost of utilities, repairs, replacements, additions, the cost of labor, equipment, materials, management, maintenance and supervision of the common area; maintenance and repair (not necessitated by casualty loss) of the other 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; the employment of attorneys to represent the Association when necessary, and such other needs as may arise.

Section 3. Assessments. The assessment shall be established by the board and may be increased by the board without approval by the owners. When the Board of Directors fixes assessments, the board shall at the same time, and in connection therewith, prepare or cause to be prepared, a budget showing the services furnished by the Association, and the costs thereof per unit.

Section 4. Special Assessment. In addition to the assessment, the board may levy 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 common area, 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 lot votes cast in person or by proxy at the meeting duly called for this purpose and further provided, that no special assessment may be levied for the purpose of reconstructing a unit damaged or destroyed by casualty loss. All special assessments shall be fixed at a uniform rate for all lots and may be collected on a monthly basis.

Section 5. Notice and Quorum for any Action Authorized Under Section 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4 shall be sent to all owners not less than ten (10) days nor more than fifty (50) days in advance of the meeting. At such meetings 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.

Section 6. Uniform Rate of Assessment. Except as hereinafter provided in Section 7, all assessments shall be fixed at a uniform rate for all lots and shall be collected on a monthly basis, or any other basis approved by the Board of Directors.

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Section 7. Lots Owned by Declarant. Declarant is the initial owner of each lot and as such shall be entitled to exercise all rights of an owner appurtenant thereto, until such time as declarant has conveyed title to such lot to another person. It is anticipated that lots owned by the declarant for sale to subsequent purchasers will not be furnished all of the services available to lots which have been acquired by other owners. Unoccupied lots owned by the declarant shall, at the option of declarant, be exempt from the payment of assessments. Such exemption shall not affect the voting rights of the declarant as a lot owner as provided in Article III hereof. A lot shall be deemed "unoccupied" within the meaning of this section until such unit is completed and physically occupied. Once such lot is occupied, although owned by the declarant, such lot shall be subject to the payment of assessments on a uniform basis.

Section 8. Date of Commencement of Assessments; Due Dates. The assessment provided for herein shall commence as to any lot on the day of the sale of a unit on such lot and such payments shall continue on a monthly basis unless abated by the board with the approval of two-thirds (2/3) of the lot votes from time to time for special and extreme circumstances. The first 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. At least thirty (30) days in advance of each assessment period, the Board of Directors shall fix the amount of the assessment and notify every owner subject thereto. The monthly assessments shall be due and payable on the fifth (5th) day of each month or on such date as shall be established by the board. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth the amount of unpaid assessments on a specified lot. Said certificate shall be conclusive of all purposes.

Section 9. Effect of Nonpayment of Assessments; Remedies of the Association. Any monthly assessment not paid within thirty (30) days after the due date shall be increased to include a penalty of One (\$1.00) Dollar 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 mortgage securing the obligation to pay assessments. Upon exercise of its right to foreclose, the Association may elect to declare the entire remaining amount of the assessment for the current term due and payable and collect the same through foreclosure. Penalties, costs and reasonable attorney's fees of such action or foreclosure shall be added to the amount of such assessment. In addition, all monthly 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 the end of the proceeding. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the common area or abandonment of his lot.

ARTICLE V

ARCHITECTURAL CONTROL

No building, fence, wall or other structure shall be commenced, erected or maintained upon the properties, nor shall any exterior additions to or change

or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials and locations of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by an architectural committee composed of three (3) or more representatives appointed by the board. No change shall be made in the color, stain or painting of any structure or door thereof, or balcony or deck thereunto attached, unless so approved.

ARTICLE VI

PARTY WALLS

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

Section 2. Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall not necessitated by casualty loss shall be the responsibility of the contiguous owners.

Section 3. Weatherproofing. Notwithstanding any other provision of this Article, an owner who by his negligence or willful act causes the party wall to be exposed to the elements shall be responsible to the Association for the whole cost of furnishing the necessary protection against such elements.

Section 4. Arbitration. In the event of any dispute arising between the owners of a party wall concerning said wall, or under the provisions of this Article, each party shall choose one arbitrator, and they shall choose one additional arbitrator, and the decision shall be by a majority of all the arbitrators. This remedy shall not be exclusive of recourse to judicial system, but shall be first exercised as an administrative remedy.

ARTICLE VII

USE RESTRICTIONS

Section 1. Land Use and Building Type. No lot shall be used except for private residential purposes of a single family, provided, however, that nothing herein shall prevent declarant from using any unit as a model or sales office. No building shall be erected, altered, placed, or permitted to remain on any lot other than one single family dwelling.

Section 2. Dwelling Specifications. If any unimproved lot is conveyed by the declarant, the declarant shall have the right to specify or approve the architect and general contractor to be used in the construction of any improvements thereon, but shall not be liable for defects in design or construction. All improvements to such lots must be approved by the declarant, or his successors and assigns, prior to the construction, as to its harmony of external design and its specifications. No temporary structures shall be erected upon any lot except during the course of construction of improvements.

Section 3. Nuisance. No noxious or offensive activity shall be carried on upon any lot, nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood.

Section 4. Animals. No animals, livestock or poultry of any kind shall be kept or maintained on any lot or in any dwelling, except that no more than a reasonable number of household pets may be kept or maintained, provided that they are not kept for commercial purposes, and provided, further, that they shall not constitute a nuisance or cause any unsanitary conditions. Dogs, cats and other household pets shall be permitted on the common area, subject to the rules and regulations of the Association, only if control of such pets is maintained by owner.

Section 5. Resubdivision. No lot shall be resubdivided.

Section 6. Outside Antennas. No outside radio or television antennas shall be erected on the properties or dwelling unit within the properties unless and until permission for the same has been granted by the Board of the Association or its architectural control committee.

Section 7. Clothes Drying. No drying or airing of any clothing or bedding shall be permitted outdoors on the properties.

Section 8. Trucks and Similar Vehicles. Parking of trucks, boats, buses, trailers, camping trailers, motor homes and similar vehicles is prohibited on the properties except in such areas as may be specifically provided for the parking of such vehicles or set aside by the Board for the parking of such vehicles.

Section 9. Plants and Trees. Plants and trees not or hereinafter located upon the common areas shall be maintained by the Association, and may not be removed except by permission of the Board. No additional plants, trees or shrubs may be planted upon the common areas without written approval of the Board. Maintenance of plants and trees upon individual lots shall be to the standards established by the declarant and/or the Association.

Section 10. Outdoor Recreational Equipment. No gym sets, sand boxes, basketball goals or other outdoor recreational equipment shall be installed or used upon the properties except in areas specifically provided for recreational purposes by the Board, and then only after approval by the Board.

Section 11. Prohibited Work. No owner shall do any work which would jeopardize the soundness and safety of the properties, reduce the value thereof or impair any easement or hereditament without, in every case, unanimous consent of all owners affected being first obtained.

ARTICLE VIII

EASEMENTS

Section 1. Reservation. Easements for installation and maintenance of utilities and drainage facilities are reserved for use by declarant, utilities companies and public agencies in connection with this development, including any portion of the properties described above. Within these easements as they are utilized, no structures, planting or other material shall be placed or permitted to remain which may interfere with the installation and maintenance

of utilities, or which may change the direction or flow of drainage channels in the easements, or which may obstruct or retard the flow of water through drainage channels in the easements. In addition, the properties shall be subject to a nonexclusive easement in favor of declarant for construction of improvements on the properties, and for exhibition and sale of such improvements.

Section 2. Easements Within Association. Each lot, unit, all common area and other items to be maintained by the Association are hereby subjected to an easement for the repair, maintenance, expansion, reduction, inspection, removal, relocation or other service of or to all gas, electricity, television, telephone, water, plumbing, sewer, utility, drainage or other lines, whether or not the cause of any or all of those activities, originates in the unit in which the work must be performed.

The Board may hereafter grant easements or licenses for utility purposes for the benefit of the properties, including the right to install, lay, maintain, repair and replace water lines, pipes, sewer lines, gas mains, telephone and television wires and equipment and electrical conduits and wires over, under, along and on any portion of the lots and the improvements thereon.

Section 4. Encroachments. In the event any portion of the common area or any improvements erected thereon now encroaches upon any lot, or if any improvements on any lot now encroach on any portion of the common area, or if any such encroachment shall occur hereafter as a result of (a) settling of any improvements; (b) repair, reconstruction or alteration by the Association of any improvements located within the common area or other items to be maintained by the Association; or (c) condemnation or eminent domain proceedings, a valid easement shall exist for such encroachment and for the maintenance of the same.

Section 5. Other Encroachments. In the matter of the construction and completion of each 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 lot. There is hereby created on each of said lots so affected an easement three (3) feet in width for said encroachments or overhangs created by said construction. 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 structure comprising said town house is totally destroyed and then rebuilt, the owners of the lots 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.

ARTICLE IX

MAINTENANCE, REPAIR, RESTORATION AND REBUILDING, INSURANCE

Section 1. Maintenance, Restoration, Rebuilding and Repair. It is the responsibility of the Association to maintain and keep in good repair the common area. It is the responsibility of each owner to maintain and keep in good repair the items to be maintained by the owner. In the event any part

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of the common area or any improvements thereon shall be damaged or destroyed by casualty loss, the Association shall cause the same 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. If the damage or destruction of any part of the common area is caused by the negligence of any owner, the obligation of the Association to repair such damage to the common area shall not be affected, but the Association shall have the right to recover damages against such owner for his negligence, subject only to the right, if any, of an insurer to seek subrogation against such owner.

In the event any part or all of the residential unit on any lot shall be damaged or destroyed by casualty loss, 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 actions as shall be recommended by the Board and approved by affirmative vote of not less than two-thirds (2/3) of the lot votes cast by the owners in person or by proxy, which vote shall include the affirmative vote of each owner whose home shall have been damaged or destroyed and each owner whose home is contiguous to any home which shall have been damaged or destroyed.

Section 2. Insurance Required. Each owner shall maintain in full force at all times insurance covering the improvements erected upon his lot 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 and owner as loss payees and shall provide that all proceeds becoming payable on account of loss of or damage to such improvements shall be payable to or directed by the Association, subject only to the rights, limited as herein provided, of any mortgage for value of the premises. The policies themselves or appropriate certificates showing the evidence of such insurance shall be furnished to the Association, (and new policies or certificates evidencing the renewal of each expiring policy of insurance shall be furnished to the Association), in each case at least ten (10) days prior to the expiration date of the expiring insurance. The policies or certificates shall contain a provision that prior to cancellation the Association shall receive at least ten (10) days written notice thereof.

Section 3. Disbursement of Insurance Proceeds. (a) If the owner shall cause the unit so damaged or destroyed to be repaired, restored or rebuilt, the Association shall hold the insurance proceeds payable as a result of such damage or destruction to such unit in trust for the benefit of the owner. The owner shall have the right to receive from the Association a statement of the amounts of funds available from such insurance for the repair, restoration

or rebuilding of such damage or destroyed unit. The Association shall have the right reasonably to approve the design of the unit, and the architects, contractors and subcontractors to be employed in connection with such repair, restoration or rebuilding. All disbursements of such insurance proceeds shall be made to the owner of such unit for the subsequent disbursement thereof for the completion of the work performed. If the cost of repair, restoration or rebuilding exceeds the total amount of insurance proceeds held by the Association for the benefit of the owner, the owner shall be responsible for such excess. If the cost of repair, restoration or rebuilding is less than the total amount of insurance proceeds so held by the Association for the owner, the owner shall receive the excess of such insurance proceeds from the Association. In all events, the owner and Association shall cooperate to provide all information reasonably required by the insurer prior to its disbursement of the insurance proceeds.

(b) If the owner commences to repair, restore, or rebuild a unit damaged and fails or refuses to complete such repair, restoration or rebuilding, the Association shall have the right to purchase the lot at its appraised value after such partial repair, restoration or rebuilding, as determined by three independent appraisers. One such appraiser shall be selected by the owner, one by the Association and they shall select the third. The cost of such appraisal shall be borne equally by the owner and the Association. A decision by the Association to purchase such lot, however, must be approved by two-thirds (2/3) of the lot votes cast by the owners in person or by proxy.

(c) If the owner elects not to repair, restore or rebuild a unit damaged or destroyed by casualty loss, and if such action is approved by the Board and the Association, including affected owners as provided in Section 1 of this Article IX, then the proceeds of such insurance payable as a result of such damage or destruction shall be payable to the owner, or the mortgagee of his home as provided in Section 10 but the site must be restored by the owner at his expense to a state as approved by the Board.

Section 4. Lien Rights of the Association. If the approval (as required in Section 1 of this Article IX) of action other than to repair, restore, or rebuild a damaged or destroyed unit is not received, the owner is under an obligation to repair, restore or rebuild such unit. If the owner refuses to repair, restore or rebuild such damaged or destroyed unit, the Association shall have the right to purchase a lot at its appraised value, after such damage or destruction, as determined by three independent appraisers. One such appraiser shall be selected by the owner, one by the Association and one by the two appraisers so selected. The cost of the appraisal shall be borne equally by the owner and the Association. A decision by the Association to purchase such lot, however, must be approved by two-thirds (2/3) of the lot votes cast by the owners in person or by proxy.

The Association may, at the request of the owner of a unit so damaged or destroyed, carry out and see to the repair, restoration or rebuilding of such unit. In all events, however, to the extent that the insurance proceeds referred to in Section 2 of this Article IX are insufficient as to any unit,

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the particular owner shall be responsible to the Association for such deficiency, and the Association shall have, and is hereby given, a continuing lien on the lot for which any such repairs or rebuilding are furnished by the Association in the aggregate amount of (a) the cost thereof, (b) interest at the highest rate permitted by law, but not exceeding fifteen (15%) percent per annum nor less than eight (8%) percent per annum from the date of the Association's payment of such costs, and (c) reasonable attorney's fees and any court or other costs incurred by the Association in connection therewith, which lien shall encumber such lot in the hands of such owner, his heirs, devisees, personal representatives, grantees and assigns, and shall be secured by the mortgage securing the payment of assessments as described in Section 1 of Article IV. In the event such owner does not forthwith fully repay the Association therefore, as aforesaid, such lien may be foreclosed against the lot by the Association, in the same manner as hereinbefore provided in connection with unpaid assessments.

Section 5. Association Not Liable. The Association and its officers, directors, employees, agents and representatives shall have no liability to any owner for damage to or loss of either the real or any personal property of said owner. Each insurer of any or said owner's interest in said real or personal property shall be bound by the provisions of this Section 5 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.

Section 6. Associations's Right to Insurance. The failure by any owner to carry, maintain or renew any insurance required by this Article X 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 unit so insured forthwith upon demand, and such cost shall be collectible and secured in the same manner as assessments.

Section 7. Blanket Coverage. 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 units in the properties, (which policy or policies shall in all events, be payable on the basis of the cost of replacement without deduction for depreciation) 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 units; and each owner shall accept and pay a proportionate share of the cost of such insurance, whether by regular assessment or otherwise, in lieu of providing and paying for the individual policies of insurance hereinabove provided for.

Section 8. Insurance Insufficient. In any case in which insurance proceeds shall not be paid or payable on account of any damage to, or destruction of, any home, or shall be inadequate to fully cover the cost of repair, restoration or rebuilding which the Association is by the provisions of this Article IX permitted to carry out, the cost of such repair, restoration or rebuilding in excess of the amount of insurance proceeds available may be borne and paid

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for by 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 owner for his failure to maintain insurance coverage in accordance with Section 6, provided, however, that the decision by the Association to assume the excess cost of such repair, restoration or rebuilding shall be approved by two-thirds (2/3) of the lot votes cast in person or by proxy.

Section 9. Additional Insurance. The Association may, but shall not be required to, obtain and maintain additional insurance as its Board shall from time to time deem prudent with respect to damage to or destruction of improvements located upon the common area, or to or of any or all of the units, from any case not covered by the insurance hereinabove described, and may also obtain such other kinds of insurance protection against such other matters or happenings as its Board shall from time to time deem prudent. In all events, however, the Association shall maintain liability insurance on the improvements to the common area.

Section 10. Use of Proceeds. Notwithstanding the foregoing, to the extent required by the terms of any mortgage for value of any part of the properties, the proceeds of any insurance becoming payable on account of any loss of, or damage to, the part of the properties so insured shall be payable to the mortgagee to the extent of its interest; provided, however, unless the mortgage provides otherwise, that such mortgagee shall cause or permit all such proceeds received by it to be applied upon the cost of repair, restoration or rebuilding of such loss or damage; and shall not apply or seek to apply such proceeds to reduce such mortgage, except for any excess of such proceeds over the full cost of such repair or restoration, unless it shall be determined in accordance with the provisions of this Declaration that such loss or damage is not to be repaid or restored.

ARTICLE X

FUTURE DEVELOPMENT

Section 1. If parcels are subsequently subdivided and developed by declarant as a part of Royal Oaks, declarant represents the following:

(a) The architectural style of the lots and improvements subsequently conveyed will be compatible with the architectural style of the lots sold to the initial purchasers;

(b) The owners of lots subsequently conveyed by declarant will be members of the Association and by acceptance of their deeds and otherwise will agree to comply with the By-Laws of the Association, and the administration rules and regulations adopted pursuant thereto.

ARTICLE XI

GENERAL PROVISIONS

Section 1. Application. All owners, employees of owners and tenants, or any other persons who may in any manner use the properties or any portion thereof shall be subject to the provisions hereof, the provisions of Articles of Incorporation and the By-Laws of Royal Oaks Towne House Association of Owners,

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fac., and such rules and regulations as may from time to time be adopted by the Board.

Section 2. Enforcement. The declarant, reserving a like right of enforcement so long as he owns any lot, hereby assigns to the Association, and any owner, its successors or assigns, a non-exclusive right to enforce by any proceeding at law or in equity all restrictions, conditions, covenants, reservations, liens, and charges now or hereafter imposed by the provisions of this Declaration, including but not limited to the collections of assessments by suit, foreclosure or otherwise. Failure by the declarant, the Association or any owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 3. Severability. Invalidation of any one of these covenants or restrictions by judgment or Court Order shall not affect any other provisions which shall remain in full force and effect.

Section 4. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be dissolved at any time upon the vote of one hundred (100%) percent of the owners. This Declaration may be amended during the first twenty (20) year period by an instrument signed by not less than ninety (90%) percent of the lot owners, and thereby by an instrument signed by not less than seventy-five (75%) percent of the lot owners provided.

Section 5. Waiver. No provision hereof shall be deemed to have been abrogated or waived by reason of any failure to enforce the same regardless of the number of violations or breaches which may have occurred.

Section 6. Gender and Number. All pronouns used herein shall be deemed to include the masculine, the feminine and non-personal entities, as well as the singular and plural wherever the context requires or permits.

IN WITNESS WHEREOF, Don A. Wade has caused this Declaration to be executed this the 31st day of January, 1984.

WITNESSES:

James M. Kelly
James L. Kelly

Don A. Wade
Don A. Wade

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STATE OF SOUTH CAROLINA)

PROBATE

COUNTY OF SPARTANBURG)

Personally appeared before me the undersigned witness, who, being duly sworn, does depose and say that (s)he saw the within named Don A. Wade execute the within written Declaration of Covenants, Conditions and Restrictions and that (s)he with the other witness subscribed above witnessed the execution thereof.

[Handwritten signature]

SWORN to before me this
31st day of January, 1984.

[Handwritten signature] (SEAL)
 Notary Public for South Carolina
 My Commission Expires: 8/23/89

FILE 875

STATE OF SOUTH CAROLINA)

DECLARATION OF RESTRICTIVE COVENANTS

COUNTY OF SPARTANBURG)

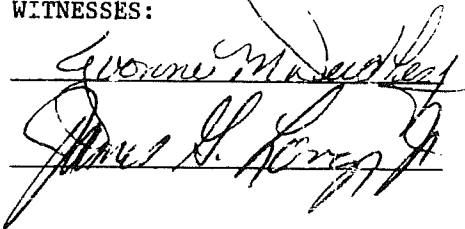
WHEREAS, Don A. Wade and Royal Oaks Towne House Owners Association, Inc. created a certain Declaration of Covenants, Conditions and Restrictions applicable to Royal Oaks Towne Houses, which are recorded in Deed Book 50-D at Page 918, Spartanburg County records, and

WHEREAS, the building housing Units 5, 6 and 7 of Royal Oaks Towne Houses should be subjected to the terms and conditions of said Declaration,

NOW, THEREFORE, for and in consideration of the sum of Three (\$3.00) Dollars and the premises recited herein, the undersigned Don A. Wade and Royal Oaks Towne House Owners Association, Inc. do hereby and herewith declare that Units 5, 6 and 7 of Royal Oaks Towne Houses as shown on plat of survey for Don Wade Foundation-Location-Units 5 thru 7, Royal Oaks Towne Houses, dated April 6, 1985 by J. T. Keller, Surveyors, are hereby subjected to the Declaration of Covenants, Conditions and Restrictions recorded in Deed Book 50-D, Page 918, Spartanburg County records.

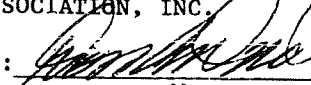
EXECUTED this 16th day of April, 1985.

WITNESSES:




Don A. Wade

ROYAL OAKS TOWNE HOUSE OWNERS
ASSOCIATION, INC.

By: 
Manager

STATE OF SOUTH CAROLINA)

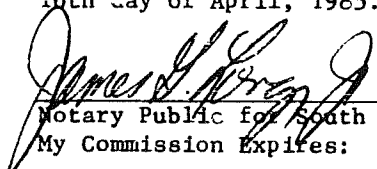
COUNTY OF SPARTANBURG)

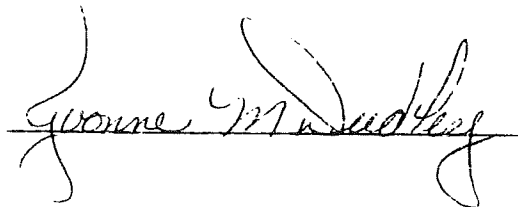
PROBATE

RECORDED
1985 APR 17 PM 3:34
R.M.C.
SPARTANBURG, S.C.

Personally appeared before me the undersigned witness, who, being duly sworn, does depose and say that (s)he saw the within named Royal Oaks Towne House Owners Association, Inc. by its Manager, Don A. Wade, and Don A. Wade, individually, execute the within written Declaration of Restrictive Covenants and that (s)he with the other witness subscribed above witnessed the execution thereof.

SWORN to before me this
16th day of April, 1985.

 (SEAL)
Notary Public for South Carolina
My Commission Expires: 8/23/89



JUN -4 PM 4:51

DEED 51J PAGE 58

STATE OF SOUTH CAROLINA)
COUNTY OF SPARTANBURG)
SPARTANBURG, S.C.
DECLARATION OF RESTRICTIVE COVENANTS

WHEREAS, Don A. Wade and Royal Oaks Towne House Owners Association, Inc. created a certain Declaration of Covenants, Conditions and Restrictions applicable to Royal Oaks Towne Houses, which is recorded in Deed Book 50-D at Page 918, Spartanburg County records, and

WHEREAS, the building housing Units 14, 15, 16 and 17 of Royal Oaks Towne Houses is completed sufficiently to be subjected to the terms and conditions of said Declaration,

NOW, THEREFORE, for and in consideration of the sum of Three (\$3.00) Dollars and the premises recited herein, the undersigned Don A. Wade and Royal Oaks Towne House Owners Association, Inc. do hereby and herewith declare that Units 14, 15, 16 and 17 of Royal Oaks Towne Houses as shown on plat recorded in Plat Book 93, Page 789, are hereby subjected to the Declaration of Covenants, Conditions and Restrictions recorded in Deed Book 50-D, Page 918, Spartanburg County records, fully and completely.

EXECUTED this 4th day of June, 1985.

WITNESSES:

Donny E. Allen
Nancy S. Fowler

x Don A. Wade
Don A. Wade
Royal Oaks Towne House Owners Association, Inc.
By: Don A. Wade
Manager

STATE OF SOUTH CAROLINA)
COUNTY OF SPARTANBURG)

PROBATE

Personally appeared before me the undersigned witness, who, being duly sworn, does depose and say that (s)he saw the within named Royal Oaks Towne House Owners Association, Inc. by its Manager, Don A. Wade, and Don A. Wade, individually, execute the within written Declaration of Restrictive Covenants and that (s)he with the other witness subscribed above witnessed the execution thereof.

SWORN to before me this 4th day of June, 1985.

Donny E. Allen (SEAL)
Notary Public for South Carolina
My Commission Expires: 10-26-92

Nancy S. Fowler

RECORDED
1991 APR -2 PM 2:02STATE OF SOUTH CAROLINA)
COUNTY OF SPARTANBURG)R.M.C.
SPARTANBURG
CONTRACT, EASEMENT AND SUBORDINATION OF MORTGAGE

This Contract, Easement and Subordination of Mortgage made and entered into at Spartanburg, South Carolina, by and between the undersigned Owner(s) and Royal Oaks Towne House Owners Association, Inc. (Association);

W I T N E S S E T H:

WHEREAS, a Declaration of Covenants, Conditions and Restrictions covering certain property in Spartanburg County, South Carolina has been recorded in the office of the R.M.C. in Deed Book 502, Page 918, which Declaration is by reference incorporated herein.

WHEREAS, said Declaration imposes certain obligations for the payment of money and otherwise upon Owners of Lots in said property and imposes upon the Association certain responsibilities and obligations in connection with the administration, management, maintenance, repair and control of the Common Area of said property and the regulation of the use thereof by the various Owners, and certain responsibilities and obligations in connection with the maintenance and repair of other items to be maintained by the Association, and

WHEREAS, the Owner(s) have purchased Lots in said property and have made certain agreements with the Association regarding the obligations and responsibilities imposed upon each by the Declaration and wish to reduce those agreements to writing,

NOW, THEREFORE, in consideration of the Premises, the mutual promises contained herein and the execution and delivery of the Mortgage described below, the receipt and sufficiency of which is acknowledged, it is agreed by and between the Owner(s) and the Association as follows:

1. The Owner(s) do hereby assume all of the responsibilities and obligations, for the payment of the money and otherwise, imposed upon Owners by the aforesaid Declaration including, but not limited to the financial obligations contained in Sections 1, 3, 4 and 9 of Article IV and Sections 2, 4, 6 and 7 of Article IX thereof, and agree to be bound by the terms and provisions of said Declaration and the Articles of Incorporation and the By-Laws of the Association.

2. The Association does hereby assume all of the responsibilities and obligations imposed upon it by the Declaration including, but not limited to the duty of administration, management, control, maintenance and repair of the Common Area of the property, and the regulation of the use thereof by the various Owners.

3. The Owner(s) do hereby grant, bargain, sell and release unto the Association and contingates lot owners, its successors and assigns, a limited easement over, on, across and through the portion of the property described on Exhibit A hereto for the purpose of allowing the Association to carry out the duties and responsibilities imposed upon it by the Declaration, and assumed by the Association hereunder, for the repair and maintenance of other items to be maintained by the Association to have and to hold said easement for so long as the Declaration, as it exists and may from time to time be amended, remains in effect.

4. The Association does hereby grant, bargain, sell and release unto the Owner(s), his heirs, successors and assigns, an easement of ingress and egress over such of the roads in the Common Area which easement shall be appurtenant to the lots. The said easement shall be subject to any mortgage lien of record.

5. The Association hereby grants Owner(s) a revocable license in, to, over and through the Common Area and all improvements thereon, which license shall be subject to certain restrictions as reflected in the Declaration.

6. The Owner(s) will execute and deliver to the Association a mortgage on the property described in Exhibit A hereto to secure the payment of all monetary obligations of Owner(s) under the terms of the Declaration, Articles of Incorporation and By-Laws as they exist presently and may from time to time be amended. The initial consideration of the mortgage shall be One Hundred (\$100.00) Dollars, but it shall be deemed to increase from time to time to secure whatever sums shall be due and payable to the Association. The Association does hereby subordinate the aforesaid mortgage to the lien of any mortgage associated with the purchase now or hereafter placed upon the property described in Exhibit A hereto and to tax liens on said property in favor of any assessing unit, said subordination to be effected and perfected by the execution and recordation hereof without the necessity of the execution by the Association of any additional documents presently or from time to time. Upon receipt of sufficient consideration, the Association may, but is not obligated to, execute documents to effect a further subordination of such mortgage at the request of the Owner(s).

8. The Owner(s) agree that said mortgage may be foreclosed upon default (after appropriate notice where applicable in the payment of any assessment, special assessment or other sum of money required of Owner(s) by the terms hereof, the Declaration, Articles of Incorporation and By-Laws as they exist presently and from time to time may be amended.

9. Upon the purchase by a subsequent Owner of the Lots described in Exhibit A, and upon the assumption by such subsequent Owner of (a) the obligations imposed by the Declaration and this Contract, and (b) the Mortgage securing those obligations, the Association shall release the undersigned Owner(s) or previous Owner(s) as the case may be from all obligations hereunder except sums due to the date of conveyance of the property described in Exhibit A hereto to the subsequent Owner, otherwise the undersigned Owner(s) or previous Owner(s) as the case may be shall remain bound by the obligations of the Declaration and this Contract.

10. The provisions hereof (including the grant of the above easement and license, and subordination of said Mortgage) are and shall be binding upon and inure to the benefit of the respective heirs, successors, representatives and assigns of the parties hereto, and subsequent Owners of the Lots described in Exhibit A hereto.

IN WITNESS WHEREOF, the undersigned have set their hands and seals
this 1st day of April, ~~1986~~ 1991

WITNESSES:

Faye S. Elrod
REED

Royal Oaks Towne House Owners
Association, Inc.

By: [Signature]

Manager

[Signature]
Owner
[Signature]
Owner

STATE OF SOUTH CAROLINA)
COUNTY OF SPARTANBURG)

PROBATE

Personally appeared before me the undersigned witness, who, being
duly sworn, does depose and say that (s)he saw the within named Royal Oaks
Towne House Owners Association, Inc. by its duly authorized officer and owner
execute the within written Contract, Easement and Subordination of Mortgage
and that (s)he with the other witness subscribed above witnessed the execution
thereof.

Faye S. Elrod

SWORN to before me this
1st day of April, ~~1986~~ 1991

[Signature] (SEAL)
Notary Public for South Carolina
My Commission Expires:

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SCHEDULE A

All that lot or parcel of land in the County of Spartanburg, State of South Carolina,
being shown as Lot 26 on a plat of survey of Units 25, 26 and 27 of Royal Oaks Towne
Houses, recorded at Plat Book 104, page 271, and being more recently shown on plat for
Hilda E. Snipes and Mary L. Snipes, dated March 20, 1991, by Neil R. Phillips, and
described according to said plat as beginning at an iron pin at the edge of West
Oak St., joint corners of Lots 26 and 27 on the aforementioned plat and running thence
S 71-49-16 W 103.17 feet to an iron pin; thence N 14-56-51 W 21.74 feet to an iron pin;
thence N 71-49-27 E 101.92 feet to an iron pin at the edge of West Oak St.; thence
along and with the edge of West Oak St. S 18-14-45 E 21.70 feet to the point of beginning