

to the lien of any mortgage or mortgages now or hereafter placed upon the properties subject to assessment; provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to a sale or transfer of such proceeding in lieu of foreclosure. Such sale or transfer shall not relieve such property from liability for any assessments thereafter becoming due, nor from the lien of any such subsequent assessment.

Section 11. Exempt Property. The following property, individuals, partnerships or corporations, subject to this Declaration, shall be exempted from the assessment, charge and lien created herein:

(a) The grantee in conveyances made for the purpose of granting utility easements;

(b) All properties to the extent of any easement therein other than a utility easement dedicated and accepted by the local public authority and devoted to public use which does not adversely affect the owner's use of the property;

(c) All Common Properties as defined in Article I, Section 2, hereof;

(d) All properties exempted from taxation by the laws of the State of South Carolina, upon the terms and to the extent of such legal exemptions;

(e) Properties owned by the Company used for recreation facilities; home maintenance and service facilities; and meeting room and conference facilities. Only land within the Existing Property which has been subdivided into Lots, and the plats thereof filed for public record in the Office of the Register of Mesne Conveyances for Greenville County shall constitute a Lot for purposes of these assessments. Projected locations for future platted lots shown on the Master Plan will not be subject to assessment.

#### 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 homes 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 of liability omissions shall apply thereto.