

reserve for repairs, replacements and maintenance and other charges as specified herein. (All of the above are herein sometimes referred to as "Common Expenses"). It is anticipated that ad valorem taxes and governmental assessments, if any, upon the Property will be assessed by the taxing authorities upon the Townhome Owners, and that each such Assessment will include the assessed value of the Townhome and of the undivided interest of the Townhome Owner in the General and Limited Common Elements. Any such taxes and Special Assessments upon the Property which are not so assessed shall be included in the budget of the Association as recurring expenses and shall be paid by the Association as a Common Expense. Each Townhome Owner is responsible for making his own return of taxes and such return shall include such Owner's undivided interest in the General and Limited Common Elements.

Section 3. Basis and Maximum of Annual Assessments. Until December 31, 1982, the maximum Annual Assessment shall be the amount designated for each Townhome which is a part of the Property on Exhibit C.

(a) From and after January 1, 1983, the maximum Annual Assessment may be increased effective January 1st of each year without a vote of the Owners in conformance with the rise, if any, of the numerical rating for the preceding month of June above such rating for June, 1982, as established by the Greenville, South Carolina, Consumer Price Index for Urban Wage Earners and Clerical Workers (published by the Department of Labor, Washington, D.C.), the successor thereto or other comparable consumer price index should that described herein be discontinued or no longer made available to the Association.

(b) From and after January 1, 1983, the maximum Annual Assessment for any succeeding year may be increased above that established by the Consumer Price Index formula provided that any such change shall require the consent of a Majority of the votes of the Owners who are voting in person or by proxy, at a meeting duly called for this purpose, written notice of which shall be delivered to all Townhomes or sent to all Owners not less than 30 days nor more than 60 days in advance of the meeting setting forth the purpose of this meeting.