

V/ RECREATIONAL FACILITIES, COMMON GROUNDS AND MAINTENANCE CHARGES

1. The developers are building, at their expense, a swimming pool, club house, two tennis courts, and off street parking, for the use and enjoyment of all residents of Sugar Creek, Section 3.

2. The developers will complete these facilities and operate them for the benefit of the residents until at least 50 homes are sold to residents of Sugar Creek, Section 3, at which time the property will be deeded to an eleemosynary corporation, which the developers will form at that time. The owner of every residence located in said subdivision shall be a member of said corporation, and shall be entitled to one vote, regardless of the number of lots used in connection with his residence. When title to the property is vested in two or more persons jointly, the vote shall be exercised as they among themselves determine but in such case no more than one vote shall be cast per residence. Membership shall be appurtenant to and may be separated from ownership of the property which is subject to assessment.

3. An annual assessment consistent with the By-Laws of the above referenced corporation shall be levied by the corporation against each residence in the subdivision. This assessment shall be based on the resident only but shall be a lien upon all lots or portions of lots used by an owner in connection with his residence. Said assessment shall be due and payable to the corporation on May 1, or each year to cover the fiscal year beginning June 1 and ending May 31 of each year. Any assessment not paid within thirty (30) days after the due date thereof shall bear interest from the due date at the legal rate of interest. The acceptance of a deed by a grantee shall be construed to be a covenant by the grantee(s) to pay said assessment, which shall run with the land and be binding upon said grantee, his successors, heirs, and assigns. No person may waive or otherwise escape liability hereunder by the non-use of the facilities of the corporation or abandonment of the property.

4. The corporation shall have the right to suspend the voting rights and right to use the recreational facilities of a resident for any period during which any assessment against his property remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations. In addition, the corporation shall have the 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 instrument. In the event of non-payment of any assessment as set forth herein, the corporation may bring an action at law against the owner(s) personally obligated to pay same or foreclose a lien against property in the same manner that a real estate mortgage is foreclosed and interests, costs, and attorneys shall be added to the amount of such assessment. The lien of the corporation against the property must be established by, and shall be effective from the time of filing of a Notice of Lis Pendens in the Office of the Clerk of Court of Greenville County. Failure by the corporation, or any owner, to enforce any covenant or lien herein contained shall in no event deemed a waiver of its right to do so.

5. The lien of the assessments provided for herein shall be subordinate to the lien of any mortgage lien of laborers, contractors, or material men furnishing labor and materials in connection with the construction of improvements located on said property, unless prior to the filing thereof Notice of Lis Pendens has been filed by the corporation for foreclosure due to nonpayment of its assessments. Sale or transfer of any residence shall not affect the assessment lien, however, the sale or transfer of any lot pursuant to foreclosure of a mortgage of materialmen's or mechanic's lien or any proceeding in lieu thereof shall extinguish the lien of such assessment as to payments which became due prior to such sale or transfer unless prior to commencement of said action a Notice of Lis Pendens has been filed by the corporation to enforce the collection of any charges that shall become payable after the acquisition of title by a subsequent bona fide purchaser for value.

6. The annual assessment to be levied by the corporation shall not apply to any lot or residence so long as it is wholly or partially owned by John C. Cothran, Ellis L. Darby, Jr., or M. Graham Proffitt, III, or any partnership, corporation, or other entity in which either Cothran, Darby, or Proffitt, individually, have at least a twenty-five (25%) per cent interest. When the homeowner takes title from the builder, the homeowner shall pay a proportional share of the assessment in effect for that year, which partial assessment shall be due and payable within thirty days from the date title is transferred to the

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